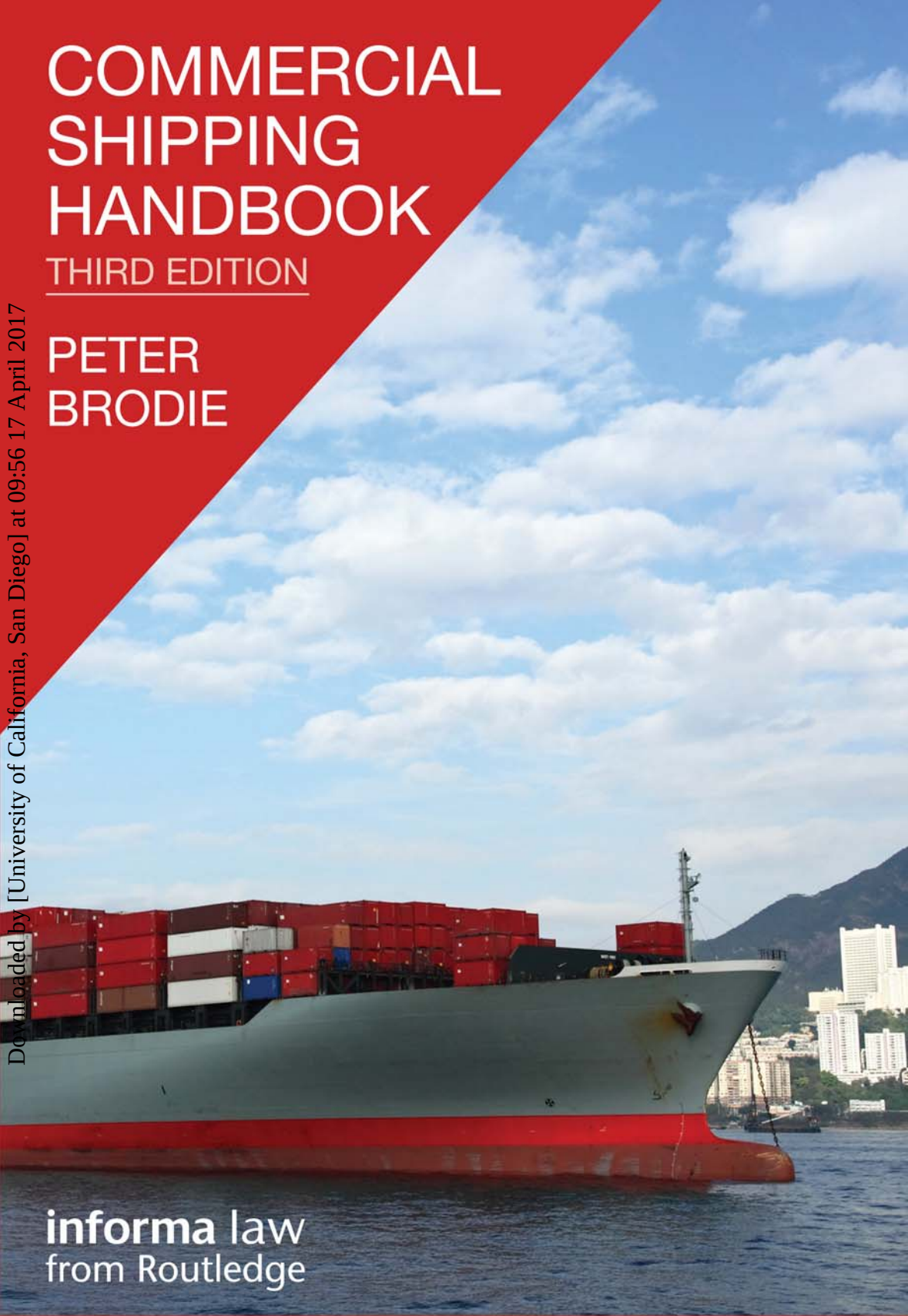
COMMERCIAL SHIPPING HANDBOOK

THIRD EDITION

PETER BRODIE



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BY PETER BRODIE

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To my late wife

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Preface to the third edition

There have been many changes in the post-conference era. For example, in those parts of the world where shipping lines are no longer allowed to form themselves into liner conferences, notably in trades serving the European Union, surcharges can no longer be jointly calculated and even the method or formula used cannot be shared between lines. There are references to the new types of liner groupings.

There have been a number of new documents, charter-parties, bills of lading and others, since the last edition, and these have been included, as well as definitions of a number of new surcharges. New ship types, both dry cargo and tankers, are described.

Information on the many conventions relating to ships and cargoes has been updated, including legislation on the use of low sulphur fuel.

As always, many new acronyms and abbreviations have been added.

Peter Brodie

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Preface to the second edition

Since writing the first edition of this book, major changes have occurred to the industry, in particular in relation to security and the structure of the liner industry.

Security measures have been introduced gradually since the terrorist attacks on New York in September 2001; these measures were introduced firstly in the USA itself and then elsewhere around the world. This edition includes details of the International Code for the Security of Ships and Port Facilities, aimed at ships and shipping companies, port authorities and port facilities, and the role of governments. New requirements for cargoes, introduced in the USA, are also explained.

The liner industry has undergone structural changes, with more and more groupings of companies. There have also been changes to the way it is regulated in Europe; at the time of writing, the European Commission is in the throes of removing the block exemption from competition rules hitherto afforded to liner conferences. The different groupings, and the types of trade in which they are engaged, are explained.

The work of the many industry organisations evolves, and changes have been reflected in new sections for a number of these.

A number of new abbreviations and acronyms have sprung up reflecting these changes, and these have been incorporated.

Peter Brodie, February 2006

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Preface to the first edition

This book fills a need for a handbook which gives concise explanations of the many activities which comprise shipping. It is essentially a guide for the practitioner and student of both liner and tramp shipping. It explains the terms and how they inter-relate. The many areas covered include:

—documents used in international transport, for example the bill of loading and the charter-party – what they contain, the different types and examples of each;
—generic types of ships, cargoes, containers and ports;
—the many organisations whose members contribute to international transport and the aims and objectives of those organisations;
—the many surcharges found especially in liner shipping;
—chartering terms, an explanation of each and their context;
—clauses appearing in bills of lading, in voyage and time charters;
—technical elements of shipping as they relate to the commercial operation of ships, for example tides and draughts;
—examples of principal documents.

The book is divided into concise entries, each one dealing with an individual topic, for which there is an alphabetical Table of Contents. In addition, there is an alphabetical index of over 1,250 terms, showing the entries in which they can be found, and list of over 200 abbreviations, showing the term in full and the entry or entries in which the abbreviation is explained.

Peter Brodie, 1999

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I wish to acknowledge the contributions made by the following organisations and their agreement to reproduce documents:

ANZESC (Australian and New Zealand/Eastern Shipping Conference)
ASBA (Association of Ship Brokers and Agents (USA) Inc)
Baltic Exchange
BIMCO (Baltic and International Maritime Council)
CLECAT (European association for forwarding, transport, logistics and customs services)
Department for Transport (UK)
ESC (European Shippers' Council)
ESPO (European Sea Ports Organisation)
Federal Maritime Commission (FMC)
FEMAS (Federation of European Maritime Associations of Surveyors and Consultants)
FIATA (International Federation of Freight Forwarders Associations)
FONASBA (Federation of National Associations of Shipbrokers and Agents)
HM Revenue & Customs
IACS (International Association of Classification Societies Ltd)
IAPH (International Association of Ports and Harbors)
ICC (International Chamber of Commerce)
ICHCA International
IHMA (International Harbour Masters' Association)
IMB (International Maritime Bureau)
IMO (International Maritime Organization)
Institute of Chartered Shipbrokers (ICS)
InterManager
International Bunker Industry Association (IBIA)
International Chamber of Shipping
International Rail Transport Committee (CIT)
Intercargo
Intertanko
ISSA (International Ship Suppliers & Services Association)
ITF (International Transport Workers' Federation)
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About the author

Peter Brodie has been a Chartered Shipbroker since 1979 and winner of the Baltic Exchange prize in the Fellowship examinations of the Institute of Chartered Shipbrokers. He has spent 40 years in shipping, as a shipper, ship operator, business analyst for a software company specialising in shipping applications, marketing with an intermodal railway and, more recently, as a logistics provider.

Peter Brodie has been writing textbooks for over 35 years and is the author of four other books on shipping, including the *Dictionary of Shipping Terms*, a standard textbook published by Informa Law from Routledge and now in its sixth edition.

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List of Abbreviations

Abbreviation	*Meaning*	*See under*
1sb	one safe berth	Berth
ABS	American Bureau of Shipping	Classification societies; IACS (International Association of Classification Societies Ltd.)
abt	about	Chartering – offer and counter-offer
a/c	account	Chartering – offer and counter-offer
ad	area differential	Liner surcharges
AES	Automated Export System	BIMCO sundry clauses
AFRA	average freight rate assessments	London Tanker Brokers' Panel
aps	arrival pilot station	Delivery and redelivery (time-charter)
atdn	any time day or night	Delivery and redelivery (time-charter)
atutc	actual time used to count	Laytime
baf	bunker adjustment factor	Bunker surcharge; Bunkers
b/b	breakbulk	Cargo types
BCI	Baltic Capesize Index	Baltic Exchange; Indices
BCTI	Baltic Exchange Clean Tanker Index	Baltic Exchange; Indices
BDI	Baltic Dry Index	Baltic Exchange; Indices
bdn	bunker delivery note	Bunkers
BDTI	Baltic Exchange Dirty Tanker Index	Baltic Exchange; Indices
BES	Baltic Exchange Supramax	indices
bff	bunker fuel factor	Bunker surcharge
BHSI	Baltic Exchange handysize Index	indices
BIMCO	Baltic and International Maritime Council	Arrived ship, Bill of lading – common clauses; BIMCO (Baltic and International Maritime Council); BIMCO sundry clauses; BIMCO sundry time charter-parties; Contract of affreightment
BITR	Baltic Exchange International Tanker Routes Asia	indices
b/l	bill of lading	Bill of lading – common clauses; Charter-party bills of lading, waybills and cargo receipts
BLPG	Baltic Exchange LPG (index)	Baltic Exchange; Indices
b/n	booking note	Bookings
bol	bill of lading	Bill of lading – common clauses
BPI	Baltic Exchange Panamax Index	Baltic Exchange; Indices
BPOIL	Baltic Exchange Palm Oil Assessment	Indices
bs, b/s	bunker surcharge	Bunker surcharge; Bunkers; Liner surcharges
BSI	Baltic Exchange Supramax Index	Baltic Exchange; Indices
BSPA	Baltic Exchange Sale and Purchase Assessments	Baltic Exchange; Indices
buc	bunker utilisation contribution	Bunker surcharge
BV	Bureau Veritas	Classification societies; IACS (International Association of Classification Societies Ltd.)

List of Abbreviations

Abbreviation	*Meaning*	*See under*
bw	brackish water	Draught
cabaf	currency and bunker adjustment factor	Bunker surcharge; Currency adjustment factor; Liner surcharges
cac	currency adjustment factor	Currency adjustment factor
caf	currency adjustment factor	Currency adjustment factor; Liner surcharges
CCFI	China (Export) Containerized Freight Index	Indices
CCS	China Classification Society	Classification societies; IACS (International Association of Classification Societies Ltd.)
cfr	cost and freight	Incoterms
cfs	container freight station	Container ancillary charges; Containers and container types
charts	charterers	Chartering – offer and counter-offer
cif	cost, insurance and freight	Incoterms
cip	carriage and insurance paid to	Incoterms
coa	contract of affreightment	Contract of affreightment
cod	change of destination	Change of destination
c/p	charter-party	Charter-party bills of lading, waybills and cargo receipts
cpc	cellular palletwide container	Containers and container types
cpp	clean petroleum products	Cargo types
cpt	carriage paid to	Incoterms
CRS	Croatian Register of Shipping	Classification societies; IACS (International Association of Classification Societies Ltd.)
cs	congestion surcharge	Congestion
C-TPAT	US Customs-Trade Partnership Against Terrorism	BIMCO sundry clauses
dap	delivered at place	Incoterms
dat	delivered at terminal	Incoterms
ddp	delivered duty paid	Incoterms
dic	delivered in charge	Container ancillary charges
dly	delivery	Delivery and redelivery (time-charter)
DNV	Det Norske Veritas	Classification societies; IACS (International Association of Classification Societies Ltd.)
dop	dropping outward pilot	Delivery and redelivery (time-charter)
dpp	dirty petroleum products	Cargo types
ebaf	emergency bunker adjustment factor	Bunker surcharge
ebs	emergency bunker surcharge	Bunker surcharge
ECSI	Export Cargo Shipping Instructions	Shipping documents
ECU	European Currency Unit	Liner and conference tariffs
eiu	even if used	Laytime
ESPO	European Sea Ports Organisation	ESPO (European Sea Ports Organisation)
eta	estimated time of arrival	Voyage charter – ship's position
etc	estimated time of completion	Voyage charter – ship's position
etd	estimated time of departure	Voyage charter – ship's position
etr	estimated time of readiness	Voyage charter – ship's position
ets	estimated time of sailing	Voyage charter – ship's position
exw	ex works	Incoterms
F	fresh water load line	Freeboards and load lines
fak	freight all kinds	Container freight; Liner and conference tariffs
faf	fuel adjustment factor	Bunker surcharge; Bunkers

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Abbreviation	*Meaning*	*See under*
fas	free alongside; free alongside ship	Incoterms; Liner contracts
FBL	Multimodal Transport Bill of Lading	FIATA (International Federation of Freight Forwarders Associations); FIATA documents
fca	free carrier	Incoterms
f&cc	full and complete cargo	Charter freight terms
fcl	full container load	Change of destination; Container ancillary charges; Container freight; Containers and container types; Liner and conference tariffs
FCR	Forwarders Certificate of Receipt	FIATA (International Federation of Freight Forwarders Associations); FIATA documents
FCT	Forwarders Certificate of Transport	FIATA (International Federation of Freight Forwarders Associations); FIATA documents
feu	forty-foot equivalent unit	Container ancillary charges; Containers and container types
ffa	Forward Freight Agreement	Indices
FFABA	Forward Freight Agreement Brokers Association	Indices
FFI	Forwarding Instructions	FIATA (International Federation of Freight Forwarders Associations); FIATA documents
fhex	Fridays and holidays excepted; Fridays and holidays excluded	Chartering – offer and counter-offer; Laytime
FIATA	International Federation of Freight Forwarders Associations	FIATA (International Federation of Freight Forwarders Associations); FIATA documents
fio	free in and out	Charter freight terms; Chartering – offer and counter-offer
fios	free in and out and stowed	Charter freight terms
fiot	free in and out and trimmed	Charter freight terms
FMC	Federal Maritime Commission	FMC (Federal Maritime Commission)
fob	free on board	Container ancillary charges; Incoterms; Liner contracts
fob's	free on board charges	Breakbulk liner ancillary charges; Container ancillary charges
foc	flag of convenience	Flag
fos	fuel oil surcharge	Bunker surcharge; Bunkers
frt	freight	Freight
fw	fresh water	Draught
fwa	fresh water allowance	Draught; Freeboards and load lines
FWB	Multimodal Transport Waybill	FIATA (International Federation of Freight Forwarders Associations)
FWR	Warehouse Receipt	FIATA (International Federation of Freight Forwarders Associations); FIATA documents
ga	general average	Bill of lading – common clauses
GL	Germanischer Lloyd	Classification societies; IACS (International Association of Classification Societies Ltd.)
gp (container); gp (box)	general purpose (container)	Container ancillary charges; Containers and container types
gri	general rate increase	Liner and conference tariffs
grt	gross register tonnage or gross registered tonnage	International Convention on Tonnage Measurement of Ships

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Abbreviation	*Meaning*	*See under*
gt (1)	gross terms	Charter freight terms
gt (2)	gross tonnage	International Convention on Tonnage Measurement of Ships
hfo	heavy fuel oil	Bunkers
hl	heavy lift charge	Breakbulk liner ancillary charges
hla	heavy lift additional	Breakbulk liner ancillary charges
hlc	heavy lift charge	Breakbulk liner ancillary charges
HRS	Hellenic Register of Shipping	Classification societies
IACS	International Association of Classification Societies Ltd.	IACS (International Association of Classification Societies Ltd.)
iaf	inflation adjustment factor	Liner surcharges
IBIA	International Bunker Industry Association	International Bunker Industry Association
icd	inland container depot	Container freight
ICS (1)	International Chamber of Shipping	International Chamber of Shipping
ICS (2)	Institute of Chartered Shipbrokers	ICS
ifp	interim fuel participation	Bunker surcharge; Bunkers
IHMA	International Harbour Masters' Association	International Harbour Masters' Association
ilcc	index-linked container contract	Indices
IMB	International Maritime Bureau	IMB (International Maritime Bureau)
IMO	International Maritime Organization	Ballast; BIMCO (Baltic and International Maritime Council); Convention on Limitation of Liability for Maritime Claims (LLMC); Convention relating to Civil Liability in the Field of Maritime Carriage of Nuclear Material (NUCLEAR); International Bunker Industry Association; International Convention for Safe Containers (CSC); International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM); International Convention on Load Lines; International Maritime Organization; International Code for the Security of Ships and Port Facilities; International Convention for the Prevention of Pollution from Ships (MARPOL); International Convention for the Safety of Life at Sea (SOLAS), 1974; International Convention on Oil Pollution Preparedness, Response and Co-operation (OPRC); International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW); International Convention on Tonnage Measurement of Ships; ISM Code; Protocol on Preparedness, Response and Co-operation to pollution Incidents by Hazardous and Noxious

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Abbreviation	*Meaning*	*See under*
		Substances, 2000 (OPRC-HNS Protocol)
IRS	Indian Register of Shipping	Classification societies; IACS (International Association of Classification Societies Ltd.)
ISPS	International Code for the Security of Ships and Port Facilities	Liner ancillary charges; International Code for the Security of Ships and Port Facilities
ITF	International Transport Workers' Federation	ITF (International Transport Workers' Federation)
iu	if used	Laytime
KR	Korean Register of Shipping	Classification societies; IACS (International Association of Classification Societies Ltd.)
LASH	lighter aboard ship	Dry cargo ships
lat	lowest astronomical tide	Tides
laycan	laydays cancelling	Chartering – offer and counter-offer
l/c	laycan	Cancellation of a charter; Laytime
lcl	less than container load	Change of destination; Container ancillary charges; Container freight; Containers and container types; Liner and conference tariffs
LF	fresh water timber load line	Freeboards and load lines
lla	long length additional	Breakbulk liner ancillary charges
LR	Lloyd's Register of Shipping	Classification societies; IACS (International Association of Classification Societies Ltd.)
ls	lump sum	Charter freight terms
LS	summer timber load line	Freeboards and load lines
lsc	low sulphur component	Bunker surcharge
ls&d	landing, storage and delivery charges	Breakbulk liner ancillary charges
lss	low sulphur surcharge	Bunker surcharge
LTF	tropical fresh water timber load line	Freeboards and load lines
LW	winter timber load line	Freeboards and load lines
LWNA	winter North Atlantic timber load line	Freeboards and load lines
mdo	marine diesel oil	Bunkers
mgo	marine gas oil	Bunkers
mhwn	mean high water neaps	Tides
mhws	mean high water springs	Tides
min/max	minimum/maximum	Charter freight terms
mlwn	mean low water neaps	Tides
mlws	mean low water springs	Tides
molchop	more or less in charterer's option	Charter freight terms; Chartering – offer and counter-offer
moloo	more or less in owner's option	Charter freight terms; Chartering – offer and counter-offer
mqc	minimum quantity commitment	Liner contracts
msl	mean sea level	Tides
mtl	mean tide level	Tides
mto	marine terminal operators	FMC (Federal Maritime Commission
mto	multimodal transport operator	Shipping
NK	Nippon Kaiji Kyokai	Classification societies; IACS (International Association of Classification Societies Ltd.)
noe	not otherwise enumerated	Liner and conference tariffs
nor	notice of readiness	Arrived ship
nos	not otherwise specified	Liner and conference tariffs

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List of Abbreviations

Abbreviation	*Meaning*	*See under*
nrt	net register tonnage or net registered tonnage	International Convention on Tonnage Measurement of Ships
nt	net tonnage	International Convention on Tonnage Measurement of Ships
nvo	non vessel owning common carrier, non vessel operating carrier, non vessel owning carrier	Carrier
nvoc	non vessel owning common carrier, non vessel operating carrier, non vessel owning carrier	Carrier
nvocc	non vessel owning common carrier, non vessel operating carrier, non vessel owning carrier	Carrier; FMC (Federal Maritime Commission)
ohbc	open hatch bulk carrier	Bulk carriers
osp	one safe berth	Berth
OSRA	Ocean Shipping Reform Act	FMC (Federal Maritime Commission)
OTI	Ocean Transport Intermediary	FMC (Federal Maritime Commission)
pcc	pure car carrier	Vehicle carriers
pcf	port congestion fee	Congestion
pcs (1)	port congestion surcharge	Congestion
pcs (2)	Panama Canal surcharge	Liner ancillary charges
pctc	pure car and truck carrier	Vehicle carriers
pd	per day; per diem	Container ancillary charges; Containers and container types
pltc's	port liner term charges	Breakbulk liner ancillary charges
pp	posted price	Bunker surcharge
PRS	Polish Register of Shipping	Classification societies; IACS (International Association of Classification Societies Ltd.)
pss (1)	port security surcharge	Liner ancillary charges
pss (2)	peak season surcharge	Liner surcharges
rcs	reefer consumption	Liner ancillary charges
redly	redelivery	Delivery and redelivery (time-charter)
redly cert	redelivery certificate	Delivery and redelivery (time-charter)
rfcs	reefer fuel consumption surcharge	Liner ancillary charges
RINA	Registro Italiano Navale	Classification societies; IACS (International Association of Classification Societies Ltd.)
rob	remaining on board	Bunkers; Dry cargo ships
ro-ro	roll-on/roll-off	Cargo types
RS	Russian Maritime Register of Shipping	Classification societies; IACS (International Association of Classification Societies Ltd.)
rtw	round the world	Liner shipping – trades
S	summer load line	Freeboards and load lines
sb	safe berth	Berth
SCFI	Shanghai (Export) Containerized Freight Index	Indices
SDT	Shippers Declaration for the Transport of Dangerous Goods	FIATA (International Federation of Freight Forwarders Associations); FIATA documents
shex	Sundays and holidays excepted; Sundays and holidays excluded	Chartering – offer and counter-offer; Laytime
shinc	Sundays and holidays included	Chartering – offer and counter-offer; Delivery and redelivery (time-charter); Laytime

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Abbreviation	*Meaning*	*See under*
SIC	Shippers Intermodal Weight Certificate	FIATA (International Federation of Freight Forwarders Associations)
sim sub	similar substitute	Chartering – offer and counter-offer
sshex	Saturdays, Sundays and holidays excepted; Saturdays, Sundays and holidays excluded	Chartering – offer and counter-offer; Laytime
sshinc	Saturdays, Sundays and holidays included	Chartering – offer and counter-offer
sub	subject, substitute	Chartering – offer and counter-offer
sub dets	subject details	Chartering – offer and counter-offer
sw	salt water	Draught
T	tropical load line	Freeboards and load lines
tba	to be advised	Chartering – offer and counter-offer
tbn	to be nominated	Chartering – offer and counter-offer
t/c	time charter	Chartering
tce	time-charter equivalent	Indices
teu	twenty-foot equivalent unit	Congestion; Container ancillary charges; Containers and container types; Indices
TF	tropical fresh water load line	Freeboards and load lines
thc	terminal handling charges	Container ancillary charges; Container freight
ubc	universal bulk carrier	Bulk carriers
ulcc	ultra large crude carrier	London Tanker Brokers' Panel
uncon	uncontainerable, uncontainerisable	Cargo types
v	voyage	Liner ship positions
v/c	voyage charter	Chartering
vlcc	very large crude carrier	London Tanker Brokers' Panel
vloc	very large ore carrier	Bulk carriers
voy	voyage	Liner ship positions
vsa	vessel sharing agreement	Liner shipping – how it is structured
yas	yen appreciation surcharge	Liner surcharges
W	winter load line	Freeboards and load lines
w/b	waybill	Charter-party bills of lading, waybills and cargo receipts
wibon	whether in berth or not	Arrived ship; Berth; Laytime
wifpon	whether in free pratique or not	Arrived ship; Laytime
wipon	whether in port or not	Arrived ship; Laytime
WNA	winter North Atlantic load line	Freeboards and load lines
wog	without guarantee	Chartering – offer and counter-offer
wp	weather permitting	Laytime
wwd	weather working day	Laytime
wwr	when where ready	Delivery and redelivery (time-charter)
wwrcd	when where ready on completion of discharge	Delivery and redelivery (time-charter)

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Arrived Ship

Requirement of all voyage charters that the ship must have arrived before notice of readiness can be given and hence **laytime** can commence. Where a berth or dock has been nominated by the charterer, the ship must have arrived at that berth or dock. When a port is nominated, the ship must have arrived at the port, although various legal decisions have defined a port differently in this context in cases where there is no berth available and the ship is obliged to wait.

Charter-parties normally require the shipowner, or master on his behalf, to issue a **notice of readiness** to the charterer. This states that the ship has arrived and is ready to load or discharge and for laytime to start to count. The clause containing this provision often stipulates the particular hours and days when this notice may be tendered and how soon afterwards laytime commences.

The place to which the ship must have arrived is open to negotiation. The expression **whether in berth or not** signifies that notice of readiness can be given when the ship has arrived at the port whether she has reached the berth or not. The charter-party may even stipulate that laytime will start to count **whether in port or not**. In this case, the ship need only arrive at the anchorage, if outside the port, and tender notice of readiness.

Gencon 94, BIMCO's general purpose voyage charter-party, treats the commencement of laytime as follows:

> "Laytime for loading and discharging shall commence at 13.00 hours if notice of readiness is up to and including 12.00 hours, and at 06.00 hours next working day if notice given during office hours after 12.00 hours.
> Time used in moving from the place of waiting to the loading/discharging berth shall not count as laytime.
> Time used before commencement of lay time shall count."

When a ship arrives at a port from a foreign country, the authorities need to satisfy themselves as to the state of health of those on board and will then grant **pratique** or **free pratique**, that is, official permission for them to make

physical contact with the shore. A ship which is the subject of such a permission is said to be **in free pratique**. Some charter-parties stipulate that laytime will start to count **whether (the ship is) in free pratique or not**.

Associated abbreviations:
BIMCO Baltic and International Maritime Council
nor notice of readiness
wibon whether in berth or not
wifpon whether in free pratique or not
wipon whether in port or not

Associated term:
to tender notice of readiness

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Ballast

Heavy weight, often sea water, which gives a ship stability and improves handling when she is at sea. This may replace the cargo when the ship is not loaded or may be pumped in during a voyage to replace fuel and water consumed. Such a ship is said to be steaming **in ballast** or **ballasting**. A **ballast tank** is a general term given to any tank or compartment in a ship which is used for ballast when the ship is not carrying cargo.

Reasons for a ship having to steam in ballast include:

(a) no further cargo being available at the port where the ship discharged her previous cargo. Typically this happens in the case of tramp ships which are not on fixed schedules and are looking for further employment;
(b) in some trades, a ship may perform a series of voyages between two ports, very often on time charter or contract of affreightment, with a (suitable) cargo available in one direction only. This situation applies particularly in certain bulk trades where the ships are specialised and only suited to one type of cargo;
(c) in other instances, it may be more economical, after discharging a cargo, to steam empty to another port to pick up the next cargo than to take cargo which pays a low freight to that port.
(d) allowing the ship to pass under a bridge or quay loading/unloading equipment.

That part of a ship's voyage during which she is not carrying a cargo is known as a **ballast leg**. It is useful for a shipowner or ship operator, when doing a voyage estimate, to separate ballast legs from parts of the voyage when the ship is carrying a cargo, known as **loaded legs**, in order to evaluate the profitability of the voyage and to assess requirements for bunkers, since a ship may consume less when in ballast.

A **ballast bonus** is a sum of money paid by a time charterer to a shipowner in recognition of the fact that the shipowner is unlikely to find a cargo near to the place of redelivery of the ship at the end of the period of the charter and is therefore obliged to ballast his ship elsewhere.

Ballast is also useful when it is important to keep the freeboard, that is, the distance from the waterline to the deck line of the ship, at a fixed level when loading. It is possible to achieve this by discharging ballast, or **deballasting**, simultaneously with loading. This operation may be crucial, for example, in the case of large bulk carriers which might be obliged to stop loading should deballasting not keep up with the rate of loading of the cargo. Similarly, deballasting can help keep the ramp of a roll-on roll-off ship at a fixed angle with the shore.

One area of concern is the ecological impact of invasive marine species carried in ballast. IMO's Marine Environment Protection Committee developed the International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM) to address the issue.

Associated abbreviation:
IMO: International Maritime Organization

See also:
Contract of affreightment
International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM)
Voyage estimate

Baltic Exchange

The Baltic Exchange is a membership organisation at the heart of the global maritime marketplace. It provides independent daily shipping market information, maintains professional shipbroking standards and resolves disputes.

Baltic Exchange members are at the heart of world trade, arranging for the ocean transportation of industrial bulk commodities from producer to end user. The bulk freight market relies on the co-operation of shipbrokers, shipowners and charterers to ensure the free flow of trade.

Baltic Exchange shipbrokers undertake to abide by a code of business conduct based on the motto "Our Word Our Bond" and those who breach the code are disciplined or expelled.

With a total membership of nearly 600 companies and 3,000 + individuals (January 2012), approximately 400 Baltic member companies are based in the UK. The Baltic also has a growing membership base in the USA, Europe and the Far East. The Baltic Exchange is headquartered in London with a regional office in Singapore.

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Membership of the Baltic Exchange is not just limited to shipbrokers, charterers and shipowners, but also includes financial institutions, maritime lawyers, educators, insurers and related associations.

The Baltic Exchange is a company limited by shares and owned by its shareholders, most of whom are member companies. The Baltic is governed by a board of between 12 and 15 directors, with up to 12 elected by shareholders and up to three elected by non-shareholding members.

See also:
Shipbroker

Website:
http://www.balticexchange.com

Bareboat Charter

The hiring or leasing of a ship for a period of time during which the shipowner provides only the ship while the charterer provides the crew together with all stores and bunkers and pays all operating costs. This type of charter is favoured by persons or companies who wish to own a ship for investment purposes but who do not have the desire or expertise to operate the ship. Similarly, it is favoured by persons or companies who have a particular requirement for a ship and the expertise with which to operate one but without the wish or ability to purchase. Typical of this category are shipping lines who may wish to take a ship on for a period of many years but who do not wish to make a large capital investment by buying one.

A ship hired out in this way is said to be **on bareboat charter**. This type of charter is also referred to as a **demise charter** or a **charter by demise**. The person or company who charters a ship in this way is the **bareboat charterer**, also known as a **demise charterer** or **charterer by demise**. The contract document is called the **bareboat charter-party** or **bareboat charter**. This document contains the terms and conditions including the period of the charter, the rate of hire, the trading limits, if any, and all the rights and responsibilities of the two parties.

BIMCO (the Baltic and International Maritime Conference) publishes a standard bareboat charter-party, codenamed **Barecon 2001**. This contract contains optional sections dealing with hire/purchase agreements and vessels registered in a bareboat charter registry.

A **bareboat charter registry** is the country in which the charterer is registered. This is distinguished from the underlying registry, which is the country where the owners of the ship are registered.

BIMCO publishes a standard barge bareboat charter party code named **Bargehire 2008**.

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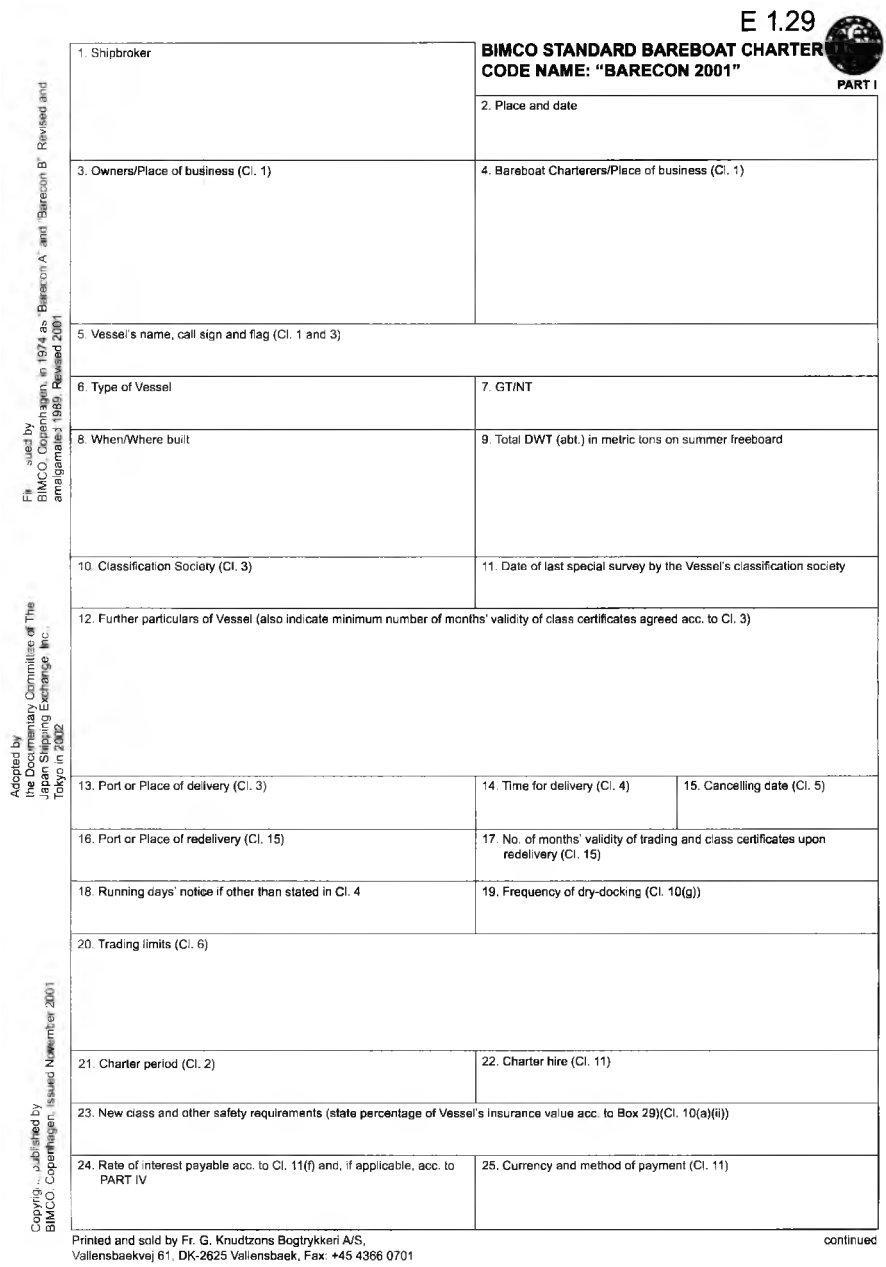

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BIMCO STANDARD BAREBOAT CHARTER
CODE NAME: "BARECON 2001"

PART I

1. Shipbroker	2. Place and date
3. Owners/Place of business (Cl. 1)	4. Bareboat Charterers/Place of business (Cl. 1)
5. Vessel's name, call sign and flag (Cl. 1 and 3)	
6. Type of Vessel	7. GT/NT
8. When/Where built	9. Total DWT (abt.) in metric tons on summer freeboard
10. Classification Society (Cl. 3)	11. Date of last special survey by the Vessel's classification society
12. Further particulars of Vessel (also indicate minimum number of months' validity of class certificates agreed acc. to Cl. 3)	
13. Port or Place of delivery (Cl. 3)	14. Time for delivery (Cl. 4) / 15. Cancelling date (Cl. 5)
16. Port or Place of redelivery (Cl. 15)	17. No. of months' validity of trading and class certificates upon redelivery (Cl. 15)
18. Running days' notice if other than stated in Cl. 4	19. Frequency of dry-docking (Cl. 10(g))
20. Trading limits (Cl. 6)	
21. Charter period (Cl. 2)	22. Charter hire (Cl. 11)
23. New class and other safety requirements (state percentage of Vessel's insurance value acc. to Box 29)(Cl. 10(a)(ii))	
24. Rate of interest payable acc. to Cl. 11(f) and, if applicable, acc. to PART IV	25. Currency and method of payment (Cl. 11)

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continued

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Adopted by
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Tokyo in 2002

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BIMCO, Copenhagen, Issued November 2001

***Figure 1*: Barecon 2001**

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Bareboat Charter

(continued) **"BARECON 2001" STANDARD BAREBOAT CHARTER** PART I

26. Place of payment; also state beneficiary and bank account (Cl. 11)	27. Bank guarantee/bond (sum and place)(Cl. 24)(optional)
28. Mortgage(s), if any (state whether 12(a) or (b) applies; if 12(b) applies state date of Financial Instrument and name of Mortgagee(s)/Place of business)(Cl. 12)	29. Insurance (hull and machinery and war risks)(state value acc. to Cl. 13(f) or, if applicable, acc. to Cl. 14(k))(also state if Cl. 14 applies)
30. Additional insurance cover, if any, for Owners' account limited to (Cl. 13(b) or, if applicable, Cl. 14(g))	31. Additional insurance cover, if any, for Charterers' account limited to (Cl. 13(b) or, if applicable, Cl. 14(g))
32. Latent defects (only to be filled in if period other than stated in Cl. 3)	33. Brokerage commission and to whom payable (Cl. 27)
34. Grace period (state number of clear banking days)(Cl. 28)	35. Dispute Resolution (state 30(a), 30(b) or 30(c); if 30(c) agreed Place of Arbitration must be stated (Cl. 30)
36. War cancellation (indicate countries agreed)(Cl. 26(f))	
37. Newbuilding Vessel (indicate with "yes" or "no" whether PART III applies)(optional)	38. Name and place of Builders (only to be filled in if PART III applies)
39. Vessel's Yard Building No. (only to be filled in if PART III applies)	40. Date of Building Contract (only to be filled in if PART III applies)
41. Liquidated damages and costs shall accrue to (state party acc. to Cl. 1) a) b) c)	
42. Hire/Purchase agreement (indicate with "yes" or "no" whether PART IV applies)(optional)	43. Bareboat Charter Registry (indicate "yes" or "no" whether PART V applies)(optional)
44. Flag and Country of the Bareboat Charter Registry (only to be filled in if PART V applies)	45. Country of the Underlying Registry (only to be filled in if PART V applies)
46. Number of additional clauses covering special provisions, if agreed	

PREAMBLE - It is mutually agreed that this Contract shall be performed subject to the conditions contained in this Charter which shall include PART I and PART II. In the event of a conflict of conditions, the provisions of PART I shall prevail over those of PART II to the extent of such conflict but no further. It is further mutually agreed that PART III and/or PART IV and/or PART V shall only apply and only form part of this Charter if expressly agreed and stated in the Boxes 37, 42 and 43. If PART III and/or PART IV and/or PART V apply, it is further agreed that in the event of a conflict of conditions, the provisions of PART I and PART II shall prevail over those of PART III and/or PART IV and/or PART V to the extent of such conflict but no further.

Signature (Owners)	Signature (Charterers)

Figure 1: Barecon 2001

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PART II
"BARECON 2001" Standard Bareboat Charter

1. Definitions
In this Charter, the following terms shall have the meanings hereby assigned to them:
The Owners shall mean the party identified in Box 3;
The Charterers shall mean the party identified in Box 4;
The Vessel shall mean the vessel named in Box 5 and with particulars as stated in Boxes 6 to 12.
Financial Instrument means the mortgage, deed of covenant or other such financial security instrument as annexed to this Charter and stated in Box 28.

2. Charter Period
In consideration of the hire detailed in Box 22, the Owners have agreed to let and the Charterers have agreed to hire the Vessel for the period stated in Box 21 (The Charter Period).

3. Delivery
(not applicable when Part III applies, as indicated in Box 37)
(a) The Owners shall before and at the time of delivery exercise due diligence to make the Vessel seaworthy and in every respect ready in hull, machinery and equipment for service under this Charter.
The Vessel shall be delivered by the Owners and taken over by the Charterers at the port or place indicated in Box 13 in such ready safe berth as the Charterers may direct.
(b) The Vessel shall be properly documented on delivery in accordance with the laws of the flag State indicated in Box 5 and the requirements of the classification society stated in Box 10. The Vessel upon delivery shall have her survey cycles up to date and trading and class certificates valid for at least the number of months agreed in Box 12.
(c) The delivery of the Vessel by the Owners and the taking over of the Vessel by the Charterers shall constitute a full performance by the Owners of all the Owners obligations under this Clause 3, and thereafter the Charterers shall not be entitled to make or assert any claim against the Owners on account of any conditions, representations or warranties expressed or implied with respect to the Vessel but the Owners shall be liable for the cost of but not the time for repairs or renewals occasioned by latent defects in the Vessel, her machinery or appurtenances, existing at the time of delivery under this Charter, provided such defects have manifested themselves within twelve (12) months after delivery unless otherwise provided in Box 32.

4. Time for Delivery
(not applicable when Part III applies, as indicated in Box 37)
The Vessel shall not be delivered before the date indicated in Box 14 without the Charterers consent and the Owners shall exercise due diligence to deliver the Vessel not later than the date indicated in Box 15.
Unless otherwise agreed in Box 18, the Owners shall give the Charterers not less than thirty (30) running days preliminary and not less than fourteen (14) running days definite notice of the date on which the Vessel is expected to be ready for delivery.
The Owners shall keep the Charterers closely advised of possible changes in the Vessel s position.

5. Cancelling
(not applicable when Part III applies, as indicated in Box 37)
(a) Should the Vessel not be delivered latest by the cancelling date indicated in Box 15, the Charterers shall have the option of cancelling this Charter by giving the Owners notice of cancellation within thirty-six (36) running hours after the cancelling date stated in Box 15, failing which this Charter shall remain in full force and effect.
(b) If it appears that the Vessel will be delayed beyond the cancelling date, the Owners may, as soon as they are in a position to state with reasonable certainty the day on which the Vessel should be ready, give notice thereof to the Charterers asking whether they will exercise their option of cancelling, and the option must then be declared within one hundred and sixty-eight (168) running hours of the receipt by the Charterers of such notice or within thirty-six (36) running hours after the cancelling date, whichever is the earlier. If the Charterers do not then exercise their option of cancelling, the seventh day after the readiness date stated in the Owners notice shall be substituted for the cancelling date indicated in Box 15 for the purpose of this Clause 5.
(c) Cancellation under this Clause 5 shall be without prejudice to any claim the Charterers may otherwise have on the Owners under this Charter.

6. Trading Restrictions
The Vessel shall be employed in lawful trades for the carriage of suitable lawful merchandise within the trading limits indicated in Box 20.
The Charterers undertake not to employ the Vessel or suffer the Vessel to be employed otherwise than in conformity with the terms of the contracts of insurance (including any warranties expressed or implied therein) without first obtaining the consent of the insurers to such employment and complying with such requirements as to extra premium or otherwise as the insurers may prescribe.
The Charterers also undertake not to employ the Vessel or suffer her employment in any trade or business which is forbidden by the law of any country to which the Vessel may sail or is otherwise illicit or in carrying illicit or prohibited goods or in any manner whatsoever which may render her liable to condemnation, destruction, seizure or confiscation.
Notwithstanding any other provisions contained in this Charter it is agreed that nuclear fuels or radioactive products or waste are specifically excluded from the cargo permitted to be loaded or carried under this Charter. This exclusion does not apply to radio-isotopes used or intended to be used for any industrial, commercial, agricultural, medical or scientific purposes provided the Owners prior approval has been obtained to loading thereof.

7. Surveys on Delivery and Redelivery
(not applicable when Part III applies, as indicated in Box 37)
The Owners and Charterers shall each appoint surveyors for the purpose of determining and agreeing in writing the condition of the Vessel at the time of delivery and redelivery hereunder. The Owners shall bear all expenses of the On-hire Survey including loss of time, if any, and the Charterers shall bear all expenses of the Off-hire Survey including loss of time, if any, at the daily equivalent to the rate of hire or pro rata thereof.

8. Inspection
The Owners shall have the right at any time after giving reasonable notice to the Charterers to inspect or survey the Vessel or instruct a duly authorised surveyor to carry out such survey on their behalf:-
(a) to ascertain the condition of the Vessel and satisfy

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PART II
"BARECON 2001" Standard Bareboat Charter

themselves that the Vessel is being properly repaired and maintained. The costs and fees for such inspection or survey shall be paid by the Owners unless the Vessel is found to require repairs or maintenance in order to achieve the condition so provided;

(b) in dry-dock if the Charterers have not dry-docked her in accordance with Clause 10(g). The costs and fees for such inspection or survey shall be paid by the Charterers; and

(c) for any other commercial reason they consider necessary (provided it does not unduly interfere with the commercial operation of the Vessel). The costs and fees for such inspection and survey shall be paid by the Owners.

All time used in respect of inspection, survey or repairs shall be for the Charterers account and form part of the Charter Period.

The Charterers shall also permit the Owners to inspect the Vessel s log books whenever requested and shall whenever required by the Owners furnish them with full information regarding any casualties or other accidents or damage to the Vessel.

9. Inventories, Oil and Stores

A complete inventory of the Vessel s entire equipment, outfit including spare parts, appliances and of all consumable stores on board the Vessel shall be made by the Charterers in conjunction with the Owners on delivery and again on redelivery of the Vessel. The Charterers and the Owners, respectively, shall at the time of delivery and redelivery take over and pay for all bunkers, lubricating oil, unbroached provisions, paints, ropes and other consumable stores (excluding spare parts) in the said Vessel at the then current market prices at the ports of delivery and redelivery, respectively. The Charterers shall ensure that all spare parts listed in the inventory and used during the Charter Period are replaced at their expense prior to redelivery of the Vessel.

10. Maintenance and Operation

(a)(i) Maintenance and Repairs - During the Charter Period the Vessel shall be in the full possession and at the absolute disposal for all purposes of the Charterers and under their complete control in every respect. The Charterers shall maintain the Vessel, her machinery, boilers, appurtenances and spare parts in a good state of repair, in efficient operating condition and in accordance with good commercial maintenance practice and, except as provided for in Clause 14(l), if applicable, at their own expense they shall at all times keep the Vessel s Class fully up to date with the Classification Society indicated in Box 10 and maintain all other necessary certificates in force at all times.

(ii) New Class and Other Safety Requirements - In the event of any improvement, structural changes or new equipment becoming necessary for the continued operation of the Vessel by reason of new class requirements or by compulsory legislation costing (excluding the Charterers loss of time) more than the percentage stated in Box 23, or if Box 23 is left blank, 5 per cent. of the Vessel s insurance value as stated in Box 29, then the extent, if any, to which the rate of hire shall be varied and the ratio in which the cost of compliance shall be shared between the parties concerned in order to achieve a reasonable distribution thereof as between the Owners and the Charterers having regard, inter alia, to the length of the period remaining under this Charter shall, in the absence of agreement, be referred to the dispute resolution method agreed in Clause 30.

(iii) Financial Security - The Charterers shall maintain financial security or responsibility in respect of third party liabilities as required by any government, including federal, state or municipal or other division or authority thereof, to enable the Vessel, without penalty or charge, lawfully to enter, remain at, or leave any port, place, territorial or contiguous waters of any country, state or municipality in performance of this Charter without any delay. This obligation shall apply whether or not such requirements have been lawfully imposed by such government or division or authority thereof.

The Charterers shall make and maintain all arrangements by bond or otherwise as may be necessary to satisfy such requirements at the Charterers sole expense and the Charterers shall indemnify the Owners against all consequences whatsoever (including loss of time) for any failure or inability to do so.

(b) Operation of the Vessel - The Charterers shall at their own expense and by their own procurement man, victual, navigate, operate, supply, fuel and, whenever required, repair the Vessel during the Charter Period and they shall pay all charges and expenses of every kind and nature whatsoever incidental to their use and operation of the Vessel under this Charter, including annual flag State fees and any foreign general municipality and/or state taxes. The Master, officers and crew of the Vessel shall be the servants of the Charterers for all purposes whatsoever, even if for any reason appointed by the Owners.

Charterers shall comply with the regulations regarding officers and crew in force in the country of the Vessel s flag or any other applicable law.

(c) The Charterers shall keep the Owners and the mortgagee(s) advised of the intended employment, planned dry-docking and major repairs of the Vessel, as reasonably required.

(d) Flag and Name of Vessel - During the Charter Period, the Charterers shall have the liberty to paint the Vessel in their own colours, install and display their funnel insignia and fly their own house flag. The Charterers shall also have the liberty, with the Owners consent, which shall not be unreasonably withheld, to change the flag and/or the name of the Vessel during the Charter Period. Painting and re-painting, instalment and re-instalment, registration and re-registration, if required by the Owners, shall be at the Charterers expense and time.

(e) Changes to the Vessel — Subject to Clause 10(a)(ii), the Charterers shall make no structural changes in the Vessel or changes in the machinery, boilers, appurtenances or spare parts thereof without in each instance first securing the Owners approval thereof. If the Owners so agree, the Charterers shall, if the Owners so require, restore the Vessel to its former condition before the termination of this Charter.

(f) Use of the Vessel s Outfit, Equipment and Appliances - The Charterers shall have the use of all outfit, equipment, and appliances on board the Vessel at the time of delivery, provided the same or their substantial equivalent shall be returned to the Owners on redelivery in the same good order and condition as when received, ordinary wear and tear excepted. The

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PART II
"BARECON 2001" Standard Bareboat Charter

Charterers shall from time to time during the Charter Period replace such items of equipment as shall be so damaged or worn as to be unfit for use. The Charterers are to procure that all repairs to or replacement of any damaged, worn or lost parts or equipment be effected in such manner (both as regards workmanship and quality of materials) as not to diminish the value of the Vessel. The Charterers have the right to fit additional equipment at their expense and risk but the Charterers shall remove such equipment at the end of the period if requested by the Owners. Any equipment including radio equipment on hire on the Vessel at time of delivery shall be kept and maintained by the Charterers and the Charterers shall assume the obligations and liabilities of the Owners under any lease contracts in connection therewith and shall reimburse the Owners for all expenses incurred in connection therewith, also for any new equipment required in order to comply with radio regulations. *)

(g) Periodical Dry-Docking - The Charterers shall dry-dock the Vessel and clean and paint her underwater parts whenever the same may be necessary, but not less than once during the period stated in Box 19 or, if Box 19 has been left blank, every sixty (60) calendar months after delivery or such other period as may be required by the Classification Society or flag State. *)

11. **Hire**

(a) The Charterers shall pay hire due to the Owners punctually in accordance with the terms of this Charter in respect of which time shall be of the essence.

(b) The Charterers shall pay to the Owners for the hire of the Vessel a lump sum in the amount indicated in Box 22 which shall be payable not later than every thirty (30) running days in advance, the first lump sum being payable on the date and hour of the Vessel s delivery to the Charterers. Hire shall be paid continuously throughout the Charter Period.

(c) Payment of hire shall be made in cash without discount in the currency and in the manner indicated in Box 25 and at the place mentioned in Box 26.

(d) Final payment of hire, if for a period of less than thirty (30) running days, shall be calculated proportionally according to the number of days and hours remaining before redelivery and advance payment to be effected accordingly.

(e) Should the Vessel be lost or missing, hire shall cease from the date and time when she was lost or last heard of. The date upon which the Vessel is to be treated as lost or missing shall be ten (10) days after the Vessel was last reported or when the Vessel is posted as missing by Lloyd s, whichever occurs first. Any hire paid in advance to be adjusted accordingly.

(f) Any delay in payment of hire shall entitle the Owners to interest at the rate per annum as agreed in Box 24. If Box 24 has not been filled in, the three months interbank offered rate in London (LIBOR or its successor) for the currency stated in Box 25, as quoted by the British Bankers Association (BBA) on the date when the hire fell due, increased by 2 per cent., shall apply.

(g) Payment of interest due under sub-clause 11(f) shall be made within seven (7) running days of the date of the Owners invoice specifying the amount payable or, in the absence of an invoice, at the time of the next hire payment date.

12. **Mortgage**

(only to apply if Box 28 has been appropriately filled in)

(a) The Owners warrant that they have not effected any mortgage(s) of the Vessel and that they shall not effect any mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld. *)

(b) The Vessel chartered under this Charter is financed by a mortgage according to the Financial Instrument. The Charterers undertake to comply, and provide such information and documents to enable the Owners to comply, with all such instructions or directions in regard to the employment, insurances, operation, repairs and maintenance of the Vessel as laid down in the Financial Instrument or as may be directed from time to time during the currency of the Charter by the mortgagee(s) in conformity with the Financial Instrument. The Charterers confirm that, for this purpose, they have acquainted themselves with all relevant terms, conditions and provisions of the Financial Instrument and agree to acknowledge this in writing in any form that may be required by the mortgagee(s). The Owners warrant that they have not effected any mortgage(s) other than stated in Box 28 and that they shall not agree to any amendment of the mortgage(s) referred to in Box 28 or effect any other mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.

(Optional, Clauses 12(a) and 12(b) are alternatives; indicate alternative agreed in Box 28). *)

13. **Insurance and Repairs**

(a) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against hull and machinery, war and Protection and Indemnity risks (and any risks against which it is compulsory to insure for the operation of the Vessel, including maintaining financial security in accordance with sub-clause 10(a)(iii)) in such form as the Owners shall in writing approve, which approval shall not be un-reasonably withheld. Such insurances shall be arranged by the Charterers to protect the interests of both the Owners and the Charterers and the mortgagee(s) (if any), and the Charterers shall be at liberty to protect under such insurances the interests of any managers they may appoint. Insurance policies shall cover the Owners and the Charterers according to their respective interests. Subject to the provisions of the Financial Instrument, if any, and the approval of the Owners and the insurers, the Charterers shall effect all insured repairs and shall undertake settlement and reimbursement from the insurers of all costs in connection with such repairs as well as insured charges, expenses and liabilities to the extent of coverage under the insurances herein provided for.

The Charterers also to remain responsible for and to effect repairs and settlement of costs and expenses incurred thereby in respect of all other repairs not covered by the insurances and/or not exceeding any possible franchise(s) or deductibles provided for in the insurances.

All time used for repairs under the provisions of sub-clause 13(a) and for repairs of latent defects according to Clause 3(c) above, including any deviation, shall be for the Charterers account.

(b) If the conditions of the above insurances permit additional insurance to be placed by the parties, such cover shall be limited to the amount for each party set out in Box 30 and Box 31, respectively. The Owners or the Charterers as the case may be shall immediately furnish the other party with particulars of any additional

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insurance effected, including copies of any cover notes or policies and the written consent of the insurers of any such required insurance in any case where the consent of such insurers is necessary.

(c) The Charterers shall upon the request of the Owners, provide information and promptly execute such documents as may be required to enable the Owners to comply with the insurance provisions of the Financial Instrument.

(d) Subject to the provisions of the Financial Instrument, if any, should the Vessel become an actual, constructive, compromised or agreed total loss under the insurances required under sub-clause 13(a), all insurance payments for such loss shall be paid to the Owners who shall distribute the moneys between the Owners and the Charterers according to their respective interests. The Charterers undertake to notify the Owners and the mortgagee(s), if any, of any occurrences in consequence of which the Vessel is likely to become a total loss as defined in this Clause.

(e) The Owners shall upon the request of the Charterers, promptly execute such documents as may be required to enable the Charterers to abandon the Vessel to insurers and claim a constructive total loss.

(f) For the purpose of insurance coverage against hull and machinery and war risks under the provisions of sub-clause 13(a), the value of the Vessel is the sum indicated in Box 29.

14. Insurance, Repairs and Classification

(Optional, only to apply if expressly agreed and stated in Box 29, in which event Clause 13 shall be considered deleted).

(a) During the Charter Period the Vessel shall be kept insured by the Owners at their expense against hull and machinery and war risks under the form of policy or policies attached hereto. The Owners and/or insurers shall not have any right of recovery or subrogation against the Charterers on account of loss of or any damage to the Vessel or her machinery or appurtenances covered by such insurance, or on account of payments made to discharge claims against or liabilities of the Vessel or the Owners covered by such insurance. Insurance policies shall cover the Owners and the Charterers according to their respective interests.

(b) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against Protection and Indemnity risks (and any risks against which it is compulsory to insure for the operation of the Vessel, including maintaining financial security in accordance with sub-clause 10(a)(iii)) in such form as the Owners shall in writing approve which approval shall not be unreasonably withheld.

(c) In the event that any act or negligence of the Charterers shall vitiate any of the insurance herein provided, the Charterers shall pay to the Owners all losses and indemnify the Owners against all claims and demands which would otherwise have been covered by such insurance.

(d) The Charterers shall, subject to the approval of the Owners or Owners Underwriters, effect all insured repairs, and the Charterers shall undertake settlement of all miscellaneous expenses in connection with such repairs as well as all insured charges, expenses and liabilities, to the extent of coverage under the insurances provided for under the provisions of sub-clause 14(a). The Charterers to be secured reimbursement through the Owners Underwriters for such expenditures upon presentation of accounts.

(e) The Charterers to remain responsible for and to effect repairs and settlement of costs and expenses incurred thereby in respect of all other repairs not covered by the insurances and/or not exceeding any possible franchise(s) or deductibles provided for in the insurances.

(f) All time used for repairs under the provisions of sub-clauses 14(d) and 14(e) and for repairs of latent defects according to Clause 3 above, including any deviation, shall be for the Charterers account and shall form part of the Charter Period.

The Owners shall not be responsible for any expenses as are incident to the use and operation of the Vessel for such time as may be required to make such repairs.

(g) If the conditions of the above insurances permit additional insurance to be placed by the parties such cover shall be limited to the amount for each party set out in Box 30 and Box 31, respectively. The Owners or the Charterers as the case may be shall immediately furnish the other party with particulars of any additional insurance effected, including copies of any cover notes or policies and the written consent of the insurers of any such required insurance in any case where the consent of such insurers is necessary.

(h) Should the Vessel become an actual, constructive, compromised or agreed total loss under the insurances required under sub-clause 14(a), all insurance payments for such loss shall be paid to the Owners, who shall distribute the moneys between themselves and the Charterers according to their respective interests.

(i) If the Vessel becomes an actual, constructive, compromised or agreed total loss under the insurances arranged by the Owners in accordance with sub-clause 14(a), this Charter shall terminate as of the date of such loss.

(j) The Charterers shall upon the request of the Owners, promptly execute such documents as may be required to enable the Owners to abandon the Vessel to the insurers and claim a constructive total loss.

(k) For the purpose of insurance coverage against hull and machinery and war risks under the provisions of sub-clause 14(a), the value of the Vessel is the sum indicated in Box 29.

(l) Notwithstanding anything contained in sub-clause 10(a), it is agreed that under the provisions of Clause 14, if applicable, the Owners shall keep the Vessel s Class fully up to date with the Classification Society indicated in Box 10 and maintain all other necessary certificates in force at all times.

15. Redelivery

At the expiration of the Charter Period the Vessel shall be redelivered by the Charterers to the Owners at a safe and ice-free port or place as indicated in Box 16, in such ready safe berth as the Owners may direct. The Charterers shall give the Owners not less than thirty (30) running days preliminary notice of expected date, range of ports of redelivery or port or place of redelivery and not less than fourteen (14) running days definite notice of expected date and port or place of redelivery. Any changes thereafter in the Vessel s position shall be notified immediately to the Owners.

The Charterers warrant that they will not permit the Vessel to commence a voyage (including any preceding ballast voyage) which cannot reasonably be expected to be completed in time to allow redelivery of the Vessel within the Charter Period. Notwithstanding the above,

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should the Charterers fail to redeliver the Vessel within the Charter Period, the Charterers shall pay the daily equivalent to the rate of hire stated in Box 22 plus 10 per cent. or to the market rate, whichever is the higher, for the number of days by which the Charter Period is exceeded. All other terms, conditions and provisions of this Charter shall continue to apply.

Subject to the provisions of Clause 10, the Vessel shall be redelivered to the Owners in the same or as good structure, state, condition and class as that in which she was delivered, fair wear and tear not affecting class excepted.

The Vessel upon redelivery shall have her survey cycles up to date and trading and class certificates valid for at least the number of months agreed in Box 17.

16. Non-Lien

The Charterers will not suffer, nor permit to be continued, any lien or encumbrance incurred by them or their agents, which might have priority over the title and interest of the Owners in the Vessel. The Charterers further agree to fasten to the Vessel in a conspicuous place and to keep so fastened during the Charter Period a notice reading as follows:

This Vessel is the property of (name of Owners). It is under charter to (name of Charterers) and by the terms of the Charter Party neither the Charterers nor the Master have any right, power or authority to create, incur or permit to be imposed on the Vessel any lien whatsoever.

17. Indemnity

(a) The Charterers shall indemnify the Owners against any loss, damage or expense incurred by the Owners arising out of or in relation to the operation of the Vessel by the Charterers, and against any lien of whatsoever nature arising out of an event occurring during the Charter Period. If the Vessel be arrested or otherwise detained by reason of claims or liens arising out of her operation hereunder by the Charterers, the Charterers shall at their own expense take all reasonable steps to secure that within a reasonable time the Vessel is released, including the provision of bail.

Without prejudice to the generality of the foregoing, the Charterers agree to indemnify the Owners against all consequences or liabilities arising from the Master, officers or agents signing Bills of Lading or other documents.

(b) If the Vessel be arrested or otherwise detained by reason of a claim or claims against the Owners, the Owners shall at their own expense take all reasonable steps to secure that within a reasonable time the Vessel is released, including the provision of bail.

In such circumstances the Owners shall indemnify the Charterers against any loss, damage or expense incurred by the Charterers (including hire paid under this Charter) as a direct consequence of such arrest or detention.

18. Lien

The Owners to have a lien upon all cargoes, sub-hires and sub-freights belonging or due to the Charterers or any sub-charterers and any Bill of Lading freight for all claims under this Charter, and the Charterers to have a lien on the Vessel for all moneys paid in advance and not earned.

19. Salvage

All salvage and towage performed by the Vessel shall be for the Charterers benefit and the cost of repairing damage occasioned thereby shall be borne by the Charterers.

20. Wreck Removal

In the event of the Vessel becoming a wreck or obstruction to navigation the Charterers shall indemnify the Owners against any sums whatsoever which the Owners shall become liable to pay and shall pay in consequence of the Vessel becoming a wreck or obstruction to navigation.

21. General Average

The Owners shall not contribute to General Average.

22. Assignment, Sub-Charter and Sale

(a) The Charterers shall not assign this Charter nor sub-charter the Vessel on a bareboat basis except with the prior consent in writing of the Owners, which shall not be unreasonably withheld, and subject to such terms and conditions as the Owners shall approve.

(b) The Owners shall not sell the Vessel during the currency of this Charter except with the prior written consent of the Charterers, which shall not be unreasonably withheld, and subject to the buyer accepting an assignment of this Charter.

23. Contracts of Carriage

*) **(a)** The Charterers are to procure that all documents issued during the Charter Period evidencing the terms and conditions agreed in respect of carriage of goods shall contain a paramount clause incorporating any legislation relating to carrier s liability for cargo compulsorily applicable in the trade; if no such legislation exists, the documents shall incorporate the Hague-Visby Rules. The documents shall also contain the New Jason Clause and the Both-to-Blame Collision Clause.

*) **(b)** The Charterers are to procure that all passenger tickets issued during the Charter Period for the carriage of passengers and their luggage under this Charter shall contain a paramount clause incorporating any legislation relating to carrier s liability for passengers and their luggage compulsorily applicable in the trade; if no such legislation exists, the passenger tickets shall incorporate the Athens Convention Relating to the Carriage of Passengers and their Luggage by Sea, 1974, and any protocol thereto.

*) *Delete as applicable.*

24. Bank Guarantee

(Optional, only to apply if Box 27 filled in)

The Charterers undertake to furnish, before delivery of the Vessel, a first class bank guarantee or bond in the sum and at the place as indicated in Box 27 as guarantee for full performance of their obligations under this Charter.

25. Requisition/Acquisition

(a) In the event of the Requisition for Hire of the Vessel by any governmental or other competent authority (hereinafter referred to as Requisition for Hire) irrespective of the date during the Charter Period when Requisition for Hire may occur and irrespective of the length thereof and whether or not it be for an indefinite

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or a limited period of time, and irrespective of whether it may or will remain in force for the remainder of the Charter Period, this Charter shall not be deemed thereby or thereupon to be frustrated or otherwise terminated and the Charterers shall continue to pay the stipulated hire in the manner provided by this Charter until the time when the Charter would have terminated pursuant to any of the provisions hereof always provided however that in the event of Requisition for Hire any Requisition Hire or compensation received or receivable by the Owners shall be payable to the Charterers during the remainder of the Charter Period or the period of the Requisition for Hire whichever be the shorter.

(b) In the event of the Owners being deprived of their ownership in the Vessel by any Compulsory Acquisition of the Vessel or requisition for title by any governmental or other competent authority (hereinafter referred to as Compulsory Acquisition), then, irrespective of the date during the Charter Period when Compulsory Acquisition may occur, this Charter shall be deemed terminated as of the date of such Compulsory Acquisition . In such event Charter Hire to be considered as earned and to be paid up to the date and time of such Compulsory Acquisition .

26. War

(a) For the purpose of this Clause, the words War Risks shall include any war (whether actual or threatened), act of war, civil war, hostilities, revolution, rebellion, civil commotion, warlike operations, the laying of mines (whether actual or reported), acts of piracy, acts of terrorists, acts of hostility or malicious damage, blockades (whether imposed against all vessels or imposed selectively against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise howsoever), by any person, body, terrorist or political group, or the Government of any state whatsoever, which may be dangerous or are likely to be or to become dangerous to the Vessel, her cargo, crew or other persons on board the Vessel.

(b) The Vessel, unless the written consent of the Owners be first obtained, shall not continue to or go through any port, place, area or zone (whether of land or sea), or any waterway or canal, where it reasonably appears that the Vessel, her cargo, crew or other persons on board the Vessel, in the reasonable judgement of the Owners, may be, or are likely to be, exposed to War Risks. Should the Vessel be within any such place as aforesaid, which only becomes dangerous, or is likely to be or to become dangerous, after her entry into it, the Owners shall have the right to require the Vessel to leave such area.

(c) The Vessel shall not load contraband cargo, or to pass through any blockade, whether such blockade be imposed on all vessels, or is imposed selectively in any way whatsoever against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise howsoever, or to proceed to an area where she shall be subject, or is likely to be subject to a belligerent s right of search and/or confiscation.

(d) If the insurers of the war risks insurance, when Clause 14 is applicable, should require payment of premiums and/or calls because, pursuant to the Charterers orders, the Vessel is within, or is due to enter and remain within, any area or areas which are specified by such insurers as being subject to additional premiums because of War Risks, then such premiums and/or calls shall be reimbursed by the Charterers to the Owners at the same time as the next payment of hire is due.

(e) The Charterers shall have the liberty:

(i) to comply with all orders, directions, recommendations or advice as to departure, arrival, routes, sailing in convoy, ports of call, stoppages, destinations, discharge of cargo, delivery, or in any other way whatsoever, which are given by the Government of the Nation under whose flag the Vessel sails, or any other Government, body or group whatsoever acting with the power to compel compliance with their orders or directions;

(ii) to comply with the orders, directions or recommendations of any war risks underwriters who have the authority to give the same under the terms of the war risks insurance;

(iii) to comply with the terms of any resolution of the Security Council of the United Nations, any directives of the European Community, the effective orders of any other Supranational body which has the right to issue and give the same, and with national laws aimed at enforcing the same to which the Owners are subject, and to obey the orders and directions of those who are charged with their enforcement.

(f) In the event of outbreak of war (whether there be a declaration of war or not) (i) between any two or more of the following countries: the United States of America; Russia; the United Kingdom; France; and the People s Republic of China, (ii) between any two or more of the countries stated in Box 36, both the Owners and the Charterers shall have the right to cancel this Charter, whereupon the Charterers shall redeliver the Vessel to the Owners in accordance with Clause 15, if the Vessel has cargo on board after discharge thereof at destination, or if debarred under this Clause from reaching or entering it at a near, open and safe port as directed by the Owners, or if the Vessel has no cargo on board, at the port at which the Vessel then is or if at sea at a near, open and safe port as directed by the Owners. In all cases hire shall continue to be paid in accordance with Clause 11 and except as aforesaid all other provisions of this Charter shall apply until redelivery.

27. Commission

The Owners to pay a commission at the rate indicated in Box 33 to the Brokers named in Box 33 on any hire paid under the Charter. If no rate is indicated in Box 33, the commission to be paid by the Owners shall cover the actual expenses of the Brokers and a reasonable fee for their work.

If the full hire is not paid owing to breach of the Charter by either of the parties the party liable therefor shall indemnify the Brokers against their loss of commission. Should the parties agree to cancel the Charter, the Owners shall indemnify the Brokers against any loss of commission but in such case the commission shall not exceed the brokerage on one year s hire.

28. Termination

(a) Charterers Default

The Owners shall be entitled to withdraw the Vessel from the service of the Charterers and terminate the Charter with immediate effect by written notice to the Charterers if:

(i) the Charterers fail to pay hire in accordance with Clause 11. However, where there is a failure to make punctual payment of hire due to oversight, negligence, errors or omissions on the part of the

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Charterers or their bankers, the Owners shall give the Charterers written notice of the number of clear banking days stated in Box 34 (as recognised at the agreed place of payment) in which to rectify the failure, and when so rectified within such number of days following the Owners notice, the payment shall stand as regular and punctual. Failure by the Charterers to pay hire within the number of days stated in Box 34 of their receiving the Owners notice as provided herein, shall entitle the Owners to withdraw the Vessel from the service of the Charterers and terminate the Charter without further notice;

(ii) the Charterers fail to comply with the requirements of: (1) Clause 6 (Trading Restrictions) (2) Clause 13(a) (Insurance and Repairs) provided that the Owners shall have the option, by written notice to the Charterers, to give the Charterers a specified number of days grace within which to rectify the failure without prejudice to the Owners right to withdraw and terminate under this Clause if the Charterers fail to comply with such notice;

(iii) the Charterers fail to rectify any failure to comply with the requirements of sub-clause 10(a)(i) (Maintenance and Repairs) as soon as practically possible after the Owners have requested them in writing so to do and in any event so that the Vessel s insurance cover is not prejudiced.

(b) Owners Default

If the Owners shall by any act or omission be in breach of their obligations under this Charter to the extent that the Charterers are deprived of the use of the Vessel and such breach continues for a period of fourteen (14) running days after written notice thereof has been given by the Charterers to the Owners, the Charterers shall be entitled to terminate this Charter with immediate effect by written notice to the Owners.

(c) Loss of Vessel

This Charter shall be deemed to be terminated if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss. For the purpose of this sub-clause, the Vessel shall not be deemed to be lost unless she has either become an actual total loss or agreement has been reached with her underwriters in respect of her constructive, compromised or arranged total loss or if such agreement with her underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred.

(d) Either party shall be entitled to terminate this Charter with immediate effect by written notice to the other party in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of the other party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or composition with its creditors.

(e) The termination of this Charter shall be without prejudice to all rights accrued due between the parties prior to the date of termination and to any claim that either party might have.

29. Repossession

In the event of the termination of this Charter in accordance with the applicable provisions of Clause 28, the Owners shall have the right to repossess the Vessel from the Charterers at her current or next port of call, or at a port or place convenient to them without hindrance or interference by the Charterers, courts or local authorities. Pending physical repossession of the Vessel in accordance with this Clause 29, the Charterers shall hold the Vessel as gratuitous bailee only to the Owners. The Owners shall arrange for an authorised representative to board the Vessel as soon as reasonably practicable following the termination of the Charter. The Vessel shall be deemed to be repossessed by the Owners from the Charterers upon the boarding of the Vessel by the Owners representative. All arrangements and expenses relating to the settling of wages, disembarkation and repatriation of the Charterers Master, officers and crew shall be the sole responsibility of the Charterers.

30. Dispute Resolution

*) **(a)** This Contract shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Contract shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.

The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.

The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within 14 calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the 14 days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.

Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.

In cases where neither the claim nor any counterclaim exceeds the sum of US$50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.

*) **(b)** This Contract shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Contract shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.

In cases where neither the claim nor any counterclaim

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exceeds the sum of US$50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.

*) **(c)** This Contract shall be governed by and construed in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Contract shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.

(d) Notwithstanding (a), (b) or (c) above, the parties may agree at any time to refer to mediation any difference and/or dispute arising out of or in connection with this Contract.

In the case of a dispute in respect of which arbitration has been commenced under (a), (b) or (c) above, the following shall apply:-

(i) Either party may at any time and from time to time elect to refer the dispute or part of the dispute to mediation by service on the other party of a written notice (the Mediation Notice) calling on the other party to agree to mediation.

(ii) The other party shall thereupon within 14 calendar days of receipt of the Mediation Notice confirm that they agree to mediation, in which case the parties shall thereafter agree a mediator within a further 14 calendar days, failing which on the application of either party a mediator will be appointed promptly by the Arbitration Tribunal (the Tribunal) or such person as the Tribunal may designate for that purpose. The mediation shall be conducted in such place and in accordance with such procedure and on such terms as the parties may agree or, in the event of disagreement, as may be set by the mediator.

(iii) If the other party does not agree to mediate, that fact may be brought to the attention of the Tribunal and may be taken into account by the Tribunal when allocating the costs of the arbitration as between the parties.

(iv) The mediation shall not affect the right of either party to seek such relief or take such steps as it considers necessary to protect its interest.

(v) Either party may advise the Tribunal that they have agreed to mediation. The arbitration procedure shall continue during the conduct of the mediation but the Tribunal may take the mediation timetable into account when setting the timetable for steps in the arbitration.

(vi) Unless otherwise agreed or specified in the mediation terms, each party shall bear its own costs incurred in the mediation and the parties shall share equally the mediator s costs and expenses.

(vii) The mediation process shall be without prejudice and confidential and no information or documents disclosed during it shall be revealed to the Tribunal except to the extent that they are disclosable under the law and procedure governing the arbitration.

(Note: The parties should be aware that the mediation process may not necessarily interrupt time limits.)

(e) If Box 35 in Part I is not appropriately filled in, sub-clause 30(a) of this Clause shall apply. Sub-clause 30(d) shall apply in all cases.

*) *Sub-clauses 30(a), 30(b) and 30(c) are alternatives; indicate alternative agreed in Box 35.*

31. Notices

(a) Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service.

(b) The address of the Parties for service of such communication shall be as stated in Boxes 3 and 4 respectively.

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OPTIONAL PART

PART III
PROVISIONS TO APPLY FOR NEWBUILDING VESSELS ONLY
(Optional, only to apply if expressly agreed and stated in Box 37)

1. **Specifications and Building Contract**

(a) The Vessel shall be constructed in accordance with the Building Contract (hereafter called the Building Contract) as annexed to this Charter, made between the Builders and the Owners and in accordance with the specifications and plans annexed thereto, such Building Contract, specifications and plans having been counter-signed as approved by the Charterers.

(b) No change shall be made in the Building Contract or in the specifications or plans of the Vessel as approved by the Charterers as aforesaid, without the Charterers consent.

(c) The Charterers shall have the right to send their representative to the Builders Yard to inspect the Vessel during the course of her construction to satisfy themselves that construction is in accordance with such approved specifications and plans as referred to under sub-clause (a) of this Clause.

(d) The Vessel shall be built in accordance with the Building Contract and shall be of the description set out therein. Subject to the provisions of sub-clause 2(c)(ii) hereunder, the Charterers shall be bound to accept the Vessel from the Owners, completed and constructed in accordance with the Building Contract, on the date of delivery by the Builders. The Charterers undertake that having accepted the Vessel they will not thereafter raise any claims against the Owners in respect of the Vessel s performance or specification or defects, if any. Nevertheless, in respect of any repairs, replacements or defects which appear within the first 12 months from delivery by the Builders, the Owners shall endeavour to compel the Builders to repair, replace or remedy any defects or to recover from the Builders any expenditure incurred in carrying out such repairs, replacements or remedies. However, the Owners liability to the Charterers shall be limited to the extent the Owners have a valid claim against the Builders under the guarantee clause of the Building Contract (a copy whereof has been supplied to the Charterers). The Charterers shall be bound to accept such sums as the Owners are reasonably able to recover under this Clause and shall make no further claim on the Owners for the difference between the amount(s) so recovered and the actual expenditure on repairs, replacement or remedying defects or for any loss of time incurred.

Any liquidated damages for physical defects or deficiencies shall accrue to the account of the party stated in Box 41(a) or if not filled in shall be shared equally between the parties. The costs of pursuing a claim or claims against the Builders under this Clause (including any liability to the Builders) shall be borne by the party stated in Box 41(b) or if not filled in shall be shared equally between the parties.

2. **Time and Place of Delivery**

(a) Subject to the Vessel having completed her acceptance trials including trials of cargo equipment in accordance with the Building Contract and specifications to the satisfaction of the Charterers, the Owners shall give and the Charterers shall take delivery of the Vessel afloat when ready for delivery and properly documented at the Builders Yard or some other safe and readily accessible dock, wharf or place as may be agreed between the parties hereto and the Builders. Under the Building Contract the Builders have estimated that the Vessel will be ready for delivery to the Owners as therein provided but the delivery date for the purpose of this Charter shall be the date when the Vessel is in fact ready for delivery by the Builders after completion of trials whether that be before or after as indicated in the Building Contract. The Charterers shall not be entitled to refuse acceptance of delivery of the Vessel and upon and after such acceptance, subject to Clause 1(d), the Charterers shall not be entitled to make any claim against the Owners in respect of any conditions, representations or warranties, whether express or implied, as to the seaworthiness of the Vessel or in respect of delay in delivery.

(b) If for any reason other than a default by the Owners under the Building Contract, the Builders become entitled under that Contract not to deliver the Vessel to the Owners, the Owners shall upon giving to the Charterers written notice of Builders becoming so entitled, be excused from giving delivery of the Vessel to the Charterers and upon receipt of such notice by the Charterers this Charter shall cease to have effect.

(c) If for any reason the Owners become entitled under the Building Contract to reject the Vessel the Owners shall, before exercising such right of rejection, consult the Charterers and thereupon

(i) if the Charterers do not wish to take delivery of the Vessel they shall inform the Owners within seven (7) running days by notice in writing and upon receipt by the Owners of such notice this Charter shall cease to have effect; or

(ii) if the Charterers wish to take delivery of the Vessel they may by notice in writing within seven (7) running days require the Owners to negotiate with the Builders as to the terms on which delivery should be taken and/or refrain from exercising their right to rejection and upon receipt of such notice the Owners shall commence such negotiations and/ or take delivery of the Vessel from the Builders and deliver her to the Charterers;

(iii) in no circumstances shall the Charterers be entitled to reject the Vessel unless the Owners are able to reject the Vessel from the Builders;

(iv) if this Charter terminates under sub-clause (b) or (c) of this Clause, the Owners shall thereafter not be liable to the Charterers for any claim under or arising out of this Charter or its termination.

(d) Any liquidated damages for delay in delivery under the Building Contract and any costs incurred in pursuing a claim therefor shall accrue to the account of the party stated in Box 41(c) or if not filled in shall be shared equally between the parties.

3. **Guarantee Works**

If not otherwise agreed, the Owners authorise the Charterers to arrange for the guarantee works to be performed in accordance with the building contract terms, and hire to continue during the period of guarantee works. The Charterers have to advise the Owners about the performance to the extent the Owners may request.

4. **Name of Vessel**

The name of the Vessel shall be mutually agreed between the Owners and the Charterers and the Vessel shall be painted in the colours, display the funnel insignia and fly the house flag as required by the Charterers.

5. **Survey on Redelivery**

The Owners and the Charterers shall appoint surveyors for the purpose of determining and agreeing in writing the condition of the Vessel at the time of re-delivery. Without prejudice to Clause 15 (Part II), the Charterers shall bear all survey expenses and all other costs, if any, including the cost of docking and undocking, if required, as well as all repair costs incurred. The Charterers shall also bear all loss of time spent in connection with any docking and undocking as well as repairs, which shall be paid at the rate of hire per day or pro rata.

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Figure 1: Barecon 2001

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"BARECON 2001" Standard Bareboat Charter

OPTIONAL PART

PART IV
HIRE/PURCHASE AGREEMENT
(Optional, only to apply if expressly agreed and stated in Box 42)

On expiration of this Charter and provided the Charterers have fulfilled their obligations according to Part I and II as well as Part III, if applicable, it is agreed, that on payment of the final payment of hire as per Clause 11 the Charterers have purchased the Vessel with everything belonging to her and the Vessel is fully paid for

In the following paragraphs the Owners are referred to as the Sellers and the Charterers as the Buyers.

The Vessel shall be delivered by the Sellers and taken over by the Buyers on expiration of the Charter.

The Sellers guarantee that the Vessel, at the time of delivery, is free from all encumbrances and maritime liens or any debts whatsoever other than those arising from anything done or not done by the Buyers or any existing mortgage agreed not to be paid off by the time of delivery. Should any claims, which have been incurred prior to the time of delivery be made against the Vessel, the Sellers hereby undertake to indemnify the Buyers against all consequences of such claims to the extent it can be proved that the Sellers are responsible for such claims. Any taxes, notarial, consular and other charges and expenses connected with the purchase and registration under Buyers flag, shall be for Buyers account. Any taxes, consular and other charges and expenses connected with closing of the Sellers register, shall be for Sellers account.

In exchange for payment of the last month s hire instalment the Sellers shall furnish the Buyers with a Bill of Sale duly attested and legalized, together with a certificate setting out the registered encumbrances, if any. On delivery of the Vessel the Sellers shall provide for deletion of the Vessel from the Ship s Register and deliver a certificate of deletion to the Buyers.
The Sellers shall, at the time of delivery, hand to the Buyers all classification certificates (for hull, engines, anchors, chains, etc.), as well as all plans which may be in Sellers possession.

The Wireless Installation and Nautical Instruments, unless on hire, shall be included in the sale without any extra payment.

The Vessel with everything belonging to her shall be at Sellers risk and expense until she is delivered to the Buyers, subject to the conditions of this Contract and the Vessel with everything belonging to her shall be delivered and taken over as she is at the time of delivery, after which the Sellers shall have no responsibility for possible faults or deficiencies of any description.

The Buyers undertake to pay for the repatriation of the Master, officers and other personnel if appointed by the Sellers to the port where the Vessel entered the Bareboat Charter as per Clause 3 (Part II) or to pay the equivalent cost for their journey to any other place.

"BARECON 2001" Standard Bareboat Charter

OPTIONAL PART

PART V
PROVISIONS TO APPLY FOR VESSELS REGISTERED IN A BAREBOAT CHARTER REGISTRY
(Optional, only to apply if expressly agreed and stated in Box 43)

1. **Definitions**
For the purpose of this PART V, the following terms shall have the meanings hereby assigned to them:
The Bareboat Charter Registry shall mean the registry of the State whose flag the Vessel will fly and in which the Charterers are registered as the bareboat charterers during the period of the Bareboat Charter.
The Underlying Registry shall mean the registry of the State in which the Owners of the Vessel are registered as Owners and to which jurisdiction and control of the Vessel will revert upon termination of the Bareboat Charter Registration.

2. **Mortgage**
The Vessel chartered under this Charter is financed by a mortgage and the provisions of Clause 12(b) (Part II) shall apply.

3. **Termination of Charter by Default**
If the Vessel chartered under this Charter is registered in a Bareboat Charter Registry as stated in Box 44, and if the Owners shall default in the payment of any amounts due under the mortgage(s) specified in Box 28, the Charterers shall, if so required by the mortgagee, direct the Owners to re-register the Vessel in the Underlying Registry as shown in Box 45.
In the event of the Vessel being deleted from the Bareboat Charter Registry as stated in Box 44, due to a default by the Owners in the payment of any amounts due under the mortgage(s), the Charterers shall have the right to terminate this Charter forthwith and without prejudice to any other claim they may have against the Owners under this Charter.

Figure 1: Barecon 2001

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Associated definition:
to bareboat charter to hire or lease a ship on bareboat charter

Associated illustration:
Bareboat charter-party (Barecon 2001)

Associated terms:
to charter by demise
to demise charter

See also:
BIMCO (Baltic and International Maritime Council)

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Berth

Place in a port alongside a quay where a ship loads **(loading berth)** or discharges **(discharging berth)** cargo or, in the case of a **lay-by berth**, waits until a loading or discharging berth is available. This term is also frequently used to signify a place alongside a quay, each of which is capable of accommodating only one ship at a time.

When a ship arrives at a port, the requirement for her to be **on the berth** or not is important in determining the commencement of **laytime**, that is, the time allowed for loading or discharging, as the case may be. In the case of a **berth charter-party**, a particular berth is nominated by the voyage charterer; notice of readiness to load or discharge, as the case may be, can only be given by the charterers when the ship reaches the berth. Conversely, a **port charter-party** stipulates that, once the ship has arrived at the port, laytime will start to count whether or not the ship has reached a berth. There may be other factors affecting the commencement of laytime, notably the requirement in certain cases to tender notice of readiness; these will be provided for in the charter-party.

A **safe berth** is one at which it is physically safe for a vessel to remain. A frequent clause in voyage charter-parties places the responsibility onto cargo interests to order the chartered ship only to a safe berth, for the purpose of loading or discharging. This is expressed as **one safe berth** when it is further intended to restrict cargo interests to one berth only.

To stem a berth is to reserve a berth for a ship. This is routinely done at the port by the ship's agent with the appropriate terminal operator prior to the ship's arrival.

A **common berth** or **common user berth** is one whose use is not restricted to the ships of any one line or shipping company.

Berth dues are charges made by a port authority for the use of a berth to load or discharge cargo. The charge may be based on the ship's register

tonnage, the number of days on the berth and the amount of the cargo. Also known as **berthing dues** or **berthage** and often used synonymously with **quay dues**, **wharf dues** and **wharfage**.

Associated abbreviations:
lsb one safe berth
osb one safe berth
sb safe berth
wibon whether in berth or not

Associated definitions:
at berth or **on berth** moored on a berth
to berth (a ship) to moor a ship alongside a quay

See also:
Arrived ship
Laytime

Bill of Lading

Document issued by a shipowner to a shipper of goods. It serves three purposes: a receipt for the goods, evidence of the contract of carriage and document of title. It contains full details of the cargo (*see below*).

Depending on the particular requirements of cargo interests, a number of originals – often three – and a number of non-negotiable copies are issued. One **original bill of lading** is surrendered to the carrying ship at the discharge port or destination in exchange for the goods. Such a bill of lading is then said to be **accomplished**. Once this is done, any other original bills become non-negotiable. The **copy bills of lading** are retained for reference by various parties including the shipper and consignee.

Generally, all the information relating to the cargo, the origin and destination and the name of ship is contained in boxes on one side of the document. The contents on the reverse of the document depend on the nature of the contract itself.

Typical boxes are:

- Shipper: the person despatching the goods.
- Consignee: party designated to take delivery of the goods. This party could be the receiver of the goods or an agent.
- Notify party: person who should be notified by the shipping line of the arrival of the goods. This could be a customs broker or a sales agent for the exporter.

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- Place of receipt: inland place where the goods are placed in the care of the shipping line.
- Vessel: the name of the carrying ocean vessel.
- Port of loading.
- Port of discharge.
- Place of delivery: inland place where the shipping line is contracted to deliver the goods.
- Marks and numbers.
- Number and kind of packages.
- Description of the goods.
- Gross weight.
- Measurement: total number of cubic metres for each item.
- Freight details and charges: this may be left off at the request of the shipper and with the agreement of the shipping line. This is done when the shipper does not want the receiver to know the amount of freight paid.
- Freight payable at: the place where freight is to be paid is shown, which will show whether freight is prepaid or payable at destination.
- Place and date of issue.
- Signature: the bill of lading is signed and dated, normally by the master or his agent. If signed by the agent, often the words **as agent only** will accompany the signature, indicating that the person signing does so as agent and not principal and has no rights or liabilities under the contract of carriage.

Bills of lading arise from both liner and charter shipments.

Charter-party bills of lading, waybills and cargo receipts

A variety of documents arise from the chartering of a ship, commencing with the document containing the contract itself, the **charter-party**. The type of charter-party and its content depend on whether it is a time charter or voyage charter and the type of commodity to be carried (*see* **Chartering** *and* **Charter-party**).

A **charter-party bill of lading** is issued by the shipowner for a shipment of cargo on a chartered ship when it is intended that the bill of lading be passed to the receiver and that the receiver be bound by the terms and conditions of the charter-party. A clause to this effect incorporating the date and place of signature of the charter-party appears on the bill of lading.

Occasionally the charterer or his agent will want to issue a bill of lading, particularly when he acts as carrier. Such a document is called a **charterer's bill of lading**.

A variety of **waybills** and **cargo receipts** exist for situations where only one function of the bill of lading, that of receipt for the cargo on board the vessel, is required. Unlike a bill of lading, the waybill and cargo receipt are not documents of title – they contain a clause specifying that delivery will be made by the carrier to the party named in the document. Again, unlike a bill of lading, which is evidence of a contract of carriage, charter-party waybills and

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cargo receipts contain a clause or box identifying the charter-party governing the contract of carriage. BIMCO (the Baltic and International Maritime Council) publishes several waybills and receipts for different purposes:

- a Non-negotiable Tanker Waybill, codenamed **Tankwaybill 81**;
- a Non-negotiable Chemical Tanker Waybill, codenamed **Chemtankwaybill 85**;
- a Non-negotiable Gas Tank Waybill for use in the LPG Trade, codenamed **Gastankwaybill**;
- a Non-negotiable Cargo Receipt for heavy lifts, codenamed **Heavyconreceipt**; and
- a Non-negotiable Cargo Receipt for food shipped by the World Food Programme in Rome, codenamed **Worldfoodreceipt**.

Liner bills of lading

In the case of liner shipments, the reverse of the bill contains all the terms and conditions of carriage, including any reference to statutory terms. Some shipping lines issue **short form bills of lading** which do not contain their terms and conditions but which contain a reference to the carrier's conditions, normally stating that a copy is available on request. A **common short form bill of lading** is a short form bill which may be used by any shipping line since neither the name of the line nor any conditions are printed on it; it too contains a reference to the carrier's conditions.

Liner bills of lading are normally issued by the ship's agent at the load port. In the past, the shipper or his forwarding agent would have a stock of bills for each shipping line used and would prepare the bill of lading for the line's agent to sign. Nowadays, the necessary computer software may be individual to the particular line and the bills of lading are printed out from data fed into a computer by the line's agent. Some larger forwarders may have access to the software and these companies continue to prepare the bills of lading for signature. Where the line's agent does the work, there may be a charge to the shipper called a **bill of lading charge**.

A **combined transport bill of lading** or **combined transport document** has all the functions of a liner bill but also reflects the fact that the contract of carriage involves at least two legs.

A **through bill of lading** is issued by a shipping line for a voyage requiring on-carriage, thus involving at least one transhipment.

A **groupage bill of lading** is issued to a forwarder by a shipping line and covers consignments from various shippers for the same destination which have been consolidated into one consignment by the forwarding agent. Each shipper receives a **house bill of lading** from the forwarding agent.

An example of a liner bill of lading is the **Conlinebill**, published by BIMCO (the Baltic and International Maritime Council). BIMCO also publishes a **blank back liner bill of lading**. The contract for goods carried under this bill of lading is subject to the carrier's standard conditions of carriage, or,

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if the carrier does not have standard conditions, subject to the Conlinebill conditions.

Bill of lading as document of title

One of the three functions of the bill of lading is that of document of title. In this capacity, it may be passed by the shipper to a third party, most often the buyer of the goods or the buyer's agent. This third party, once in possession of the bill of lading, is known as the **bearer** of the bill of lading.

He presents it to the ship at the place of delivery in the contract of carriage and may thus take delivery of the goods.

Depending on the particular requirements of cargo interests, a number of originals – often three – and a number of copies, which are non-negotiable, are issued. The originals might be sent by separate methods to maximise the chance of at least one arriving safely. Only one original bill of lading need be surrendered to the carrying ship at the discharge port or destination to take delivery of the goods. Such a bill of lading is then said to be **accomplished**. Once this is done, any other original bills become non-negotiable.

Copy bills of lading are used for administrative purposes only and are said to be **non-negotiable bills of lading**.

By virtue of the fact that an original bill of lading represents title to the goods, it is used by banks as collateral security. When a bank is involved, the bill is first sent to the bank and held by them until payment for the goods has been received. It then passes to the receiver so that it can be exchanged for the goods.

Bills of lading may be made out to a named third party, most commonly the buyer of the goods named in the bill. Alternatively, they may be made out **to bearer**, especially when the goods are expected to be sold, perhaps more than once, while they are on the high seas. When the goods change hands in this way, the bill of lading is endorsed by one party to another, that is, it is signed over.

A bill of lading may be made out **to order**; if made out to the consignee or order, the consignee may endorse it over to whomever he pleases. If it is simply made out to order, it is up to the shipper to endorse it to another party who then becomes entitled to the goods.

A **blank endorsed bill of lading** has been endorsed by the shipper with the endorsement left blank, that is, not endorsed to a named person or company. It can therefore be negotiated by the bearer, so is a type of bearer bill of lading.

On occasion, the original bill of lading does not arrive at the discharge port in time for the vessel's arrival. In this situation, the shipper may instruct the master of the ship or the shipowner to release the goods to a named third party without production of an original bill of lading. The master or owner, if they agree to do this, may require a **letter of indemnity** from the shipper absolving them from the costs and consequences of complying should it turn out that the named party is not entitled to take delivery of the goods. It should be noted that, as a rule, any such letter which seeks to indemnify against an

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act which is intended to defraud an innocent third party is not enforceable in a court of law.

Bill of lading as evidence of contract of carriage

One of the three functions of the bill of lading is to act as evidence of the contract of carriage. It is not necessarily the contract itself which may be verbal or may be made up of protracted correspondence, however, it is considered best evidence of the contract. When the bill of lading is transferred to a third party, it may become the contract. Many contracts are port to port and are between the shipowner or shipping line and the shipper of the cargo.

A **through bill of lading** is issued by a shipping line for a voyage requiring on-carriage, thus involving at least one transhipment. According to the particular contract, the issuer of the bill of lading may be responsible for the goods throughout the voyage or only for one leg, acting as agent for the on-carriage. Such a bill is often referred to simply as a **through bill**.

A **combined transport bill of lading** or **combined transport document** is similar to a liner bill but also reflects the fact that the contract of carriage involves at least two legs.

A **groupage bill of lading** is issued to a forwarder by a shipping line and covers consignments from various shippers for the same destination which have been consolidated into one consignment by the forwarding agent. Each shipper receives a **house bill of lading** from the forwarding agent who acts as carrier. There are consequently two contracts of carriage in respect of the same goods.

Some shipping lines issue **short form bills of lading** which do not contain their terms and conditions but which contain a reference to the carrier's conditions, normally stating that a copy is available on request. A **common short form bill of lading** is a short form bill which may be used by any shipping line since neither the name of the line nor any conditions are printed on it; it too contains a reference to the carrier's conditions.

A **charter-party bill of lading** may be issued for a shipment of cargo on a chartered ship when it is intended that the receiver be bound by the terms and conditions of the charter-party. A clause to this effect incorporating the place and date of the charter-party appears on the face of the bill.

A **charterer's bill of lading** is a bill of lading issued by a charterer and signed by him or his agent. Under certain circumstances, the charterer who signs his own bills of lading may be deemed to be the carrier, thus taking on all the responsibilities of a carrier.

Bill of lading as document of title

One of the three functions of the bill of lading is that of document of title. In this capacity, it may be passed by the shipper to a third party, most often the buyer of the goods or the buyer's agent. This third party, once in possession of the bill of lading, is known as the **bearer** of the bill of lading.

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He presents it to the ship at the place of delivery in the contract of carriage and may thus take delivery of the goods.

Depending on the particular requirements of cargo interests, a number of originals, often three, and a number of copies, which are non-negotiable, are issued. The originals might be sent by separate methods to maximise the chance of at least one arriving safely. Only one original bill of lading need be surrendered to the carrying ship at the discharge port or destination to take delivery of the goods. Such a bill of lading is then said to be **accomplished**. Once this is done, any other original bills become non-negotiable.

Copy bills of lading are used for administrative purposes only and are said to be **non-negotiable bills of lading**.

By virtue of the fact that an original bill of lading represents title to the goods, it is used by banks as collateral security. When a bank is involved, the bill is first sent to the bank and held by them until payment for the goods has been received. It then passes to the receiver so that it can be exchanged for the goods.

Bills of lading may be made out to a named third party, most commonly the buyer of the goods named in the bill. Alternatively, they may be made out **to bearer**, especially when the goods are expected to be sold, perhaps more than once, while they are on the high seas. When the goods change hands in this way, the bill of lading is endorsed by one party to another, that is, it is signed over.

A bill of lading may be made out **to order**; if made out to the consignee or order, the consignee may endorse it over to whomever he pleases. If it is simply made out to order, it is up to the shipper to endorse it to another party who then becomes entitled to the goods.

On occasion, the original bill of lading does not arrive at the discharge port in time for the vessel's arrival. In this situation, the shipper may instruct the master of the ship or the shipowner to release the goods to a named third party without production of an original bill of lading. The master or owner, if they agree to do this, may require a **letter of indemnity** from the shipper absolving them from the costs and consequences of complying should it turn out that the named party is not entitled to take delivery of the goods. It should be noted that, as a rule, any such letter which seeks to indemnify against an act which is intended to defraud an innocent third party is not enforceable in a court of law.

Bill of lading as receipt

In its role as receipt, a bill of lading is commonly issued when the goods have been loaded on board the carrying vessel. Such a bill of lading is known as a **shipped bill of lading** or **shipped on board bill of lading**. This type of bill is often a requirement of banks who advance money using the bill of lading as collateral security and who may wish to be satisfied that the goods are on board the ship. Accordingly, it has a clause on the face to this effect. Note that generally, banks require such bills to be clean (*see below*).

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Alternatively, the bill may be issued when the goods have been received into the care of the carrier, but not yet loaded on board. Such a bill is termed a **received for shipment bill of lading**. It serves all the purposes of a shipped bill of lading but may not be acceptable to banks as collateral security.

As a receipt, the bill of lading contains the description and quantity of the goods. Should goods be packed in cases, crates or bundles or otherwise not be visible by virtue of their packaging, the master or carrier may be unaware of the nature or quantity of the contents and may therefore rely on the definition furnished by the shipper. In these circumstances, the term **said to contain** may precede the description or quantity on the bill of lading.

Should the master, first officer or protection and indemnity club surveyor find that the goods, when received into the care of the ship, are in apparent good order and condition, the bill is known as **clean**. If any defect is found to the cargo or its packing, termed an **exception**, a notation will be made on the bill of lading by means of a superimposed clause or clauses. Such a bill is known as **dirty**, **foul** or **unclean**. A **claused bill of lading** also contains superimposed clauses which may relate to defects or may be any comment of the master regarding the carriage of goods, for example that they are unprotected or shipped on deck at shipper's risk. Sometimes claused bills are used synonymously with unclean bills.

Associated definitions:
bill common short form for bill of lading
to accomplish a bill of lading to surrender an original bill of lading at destination in exchange for the goods

Associated abbreviations:
b/l bill of lading
bol bill of lading
cbl combined transport bill of lading
c/p charter-party
loi letter of indemnity
m/r mate's receipt
stc said to contain
w/b waybill

Associated illustration:
Figure 2 Liner bill of lading (Conlinebill 2000)

See also:
Bill of lading – common clauses
Combined transport, intermodal transport, multimodal transport, through transport, co-modality
Manifest

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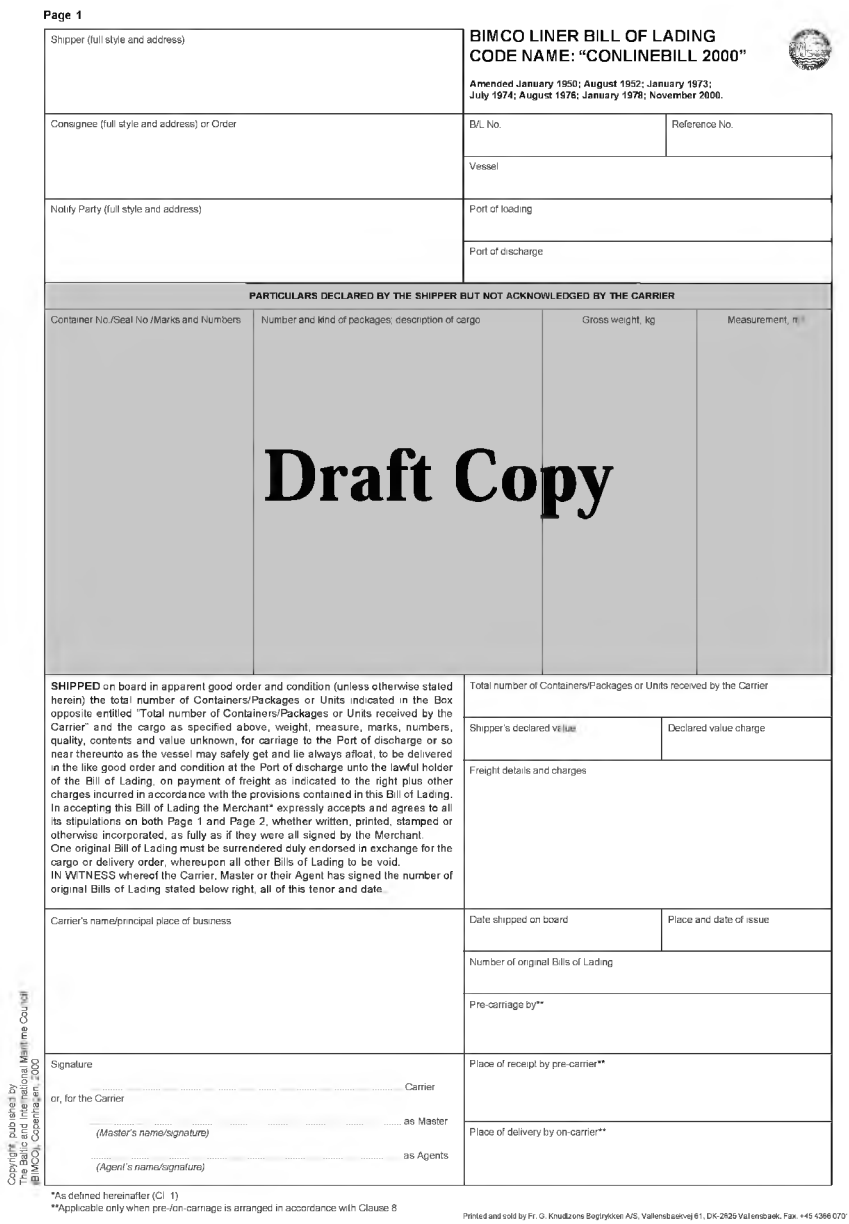

Page 1

Shipper (full style and address)	BIMCO LINER BILL OF LADING CODE NAME: "CONLINEBILL 2000" Amended January 1950; August 1952; January 1973; July 1974; August 1976; January 1978; November 2000.	
Consignee (full style and address) or Order	B/L No.	Reference No.
	Vessel	
Notify Party (full style and address)	Port of loading	
	Port of discharge	

PARTICULARS DECLARED BY THE SHIPPER BUT NOT ACKNOWLEDGED BY THE CARRIER

Container No./Seal No./Marks and Numbers	Number and kind of packages; description of cargo	Gross weight, kg	Measurement, m³
	Draft Copy		

SHIPPED on board in apparent good order and condition (unless otherwise stated herein) the total number of Containers/Packages or Units indicated in the Box opposite entitled "Total number of Containers/Packages or Units received by the Carrier" and the cargo as specified above, weight, measure, marks, numbers, quality, contents and value unknown, for carriage to the Port of discharge or so near thereunto as the vessel may safely get and lie always afloat, to be delivered in the like good order and condition at the Port of discharge unto the lawful holder of the Bill of Lading, on payment of freight as indicated to the right plus other charges incurred in accordance with the provisions contained in this Bill of Lading. In accepting this Bill of Lading the Merchant* expressly accepts and agrees to all its stipulations on both Page 1 and Page 2, whether written, printed, stamped or otherwise incorporated, as fully as if they were all signed by the Merchant. One original Bill of Lading must be surrendered duly endorsed in exchange for the cargo or delivery order, whereupon all other Bills of Lading to be void. IN WITNESS whereof the Carrier, Master or their Agent has signed the number of original Bills of Lading stated below right, all of this tenor and date.	Total number of Containers/Packages or Units received by the Carrier	
	Shipper's declared value	Declared value charge
	Freight details and charges	
Carrier's name/principal place of business	Date shipped on board	Place and date of issue
	Number of original Bills of Lading	
	Pre-carriage by**	
Signature ..... Carrier or, for the Carrier ..... as Master *(Master's name/signature)* ..... as Agents *(Agent's name/signature)*	Place of receipt by pre-carrier**	
	Place of delivery by on-carrier**	

*As defined hereinafter (Cl. 1)
**Applicable only when pre-/on-carriage is arranged in accordance with Clause 8

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Figure 2*: *Conlinebill 2000

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BIMCO LINER BILL OF LADING

Code Name: "CONLINEBILL 2000"

1. Definition.
"Merchant" includes the shipper, the receiver, the consignor, the consignee, the holder of the Bill of Lading, the owner of the cargo and any person entitled to possession of the cargo.
2. Notification.
Any mention in this Bill of Lading of parties to be notified of the arrival of the cargo is solely for the information of the Carrier and failure to give such notification shall not involve the Carrier in any liability nor relieve the Merchant of any obligation hereunder.
3. Liability for Carriage Between Port of Loading and Port of Discharge.
(a) The International Convention for the Unification of Certain Rules of Law relating to Bills of Lading signed at Brussels on 25 August 1924 ("the Hague Rules") as amended by the Protocol signed at Brussels on 23 February 1968 ("the Hague-Visby Rules") and as enacted in the country of shipment shall apply to this Contract. When the Hague-Visby Rules are not enacted in the country of shipment, the corresponding legislation of the country of destination shall apply, irrespective of whether such legislation may only regulate outbound shipments.
When there is no enactment of the Hague-Visby Rules in either the country of shipment or in the country of destination, the Hague-Visby Rules shall apply to this Contract save where the Hague Rules as enacted in the country of shipment or, if no such enactment is in place, the Hague Rules as enacted in the country of destination apply compulsorily to this Contract.
The Protocol signed at Brussels on 21 December 1979 ("the SDR Protocol 1979") shall apply where the Hague-Visby Rules apply, whether mandatorily or by this Contract.
The Carrier shall in no case be responsible for loss of or damage to cargo arising prior to loading, after discharging, or with respect to deck cargo and live animals.
(b) If the Carrier is held liable in respect of delay, consequential loss or damage other than loss of or damage to the cargo, the liability of the Carrier shall be limited to the freight for the carriage covered by this Bill of Lading, or to the limitation amount as determined in sub-clause 3(a), whichever is the lesser.
(c) The aggregate liability of the Carrier and/or any of his servants, agents or independent contractors under this Contract shall, in no circumstances, exceed the limits of liability for the total loss of the cargo under sub-clause 3(a) or, if applicable, the Additional Clause.
4. Law and Jurisdiction.
Disputes arising out of or in connection with this Bill of Lading shall be exclusively determined by the courts and in accordance with the law of the place where the Carrier has his principal place of business, as stated on Page 1, except as provided elsewhere herein.
5. The Scope of Carriage.
The intended carriage shall not be limited to the direct route but shall be deemed to include any proceeding or returning to or stopping or slowing down at or off any ports or places for any reasonable purpose connected with the carriage including bunkering, loading, discharging, or other cargo operations and maintenance of Vessel and crew.
6. Substitution of Vessel.
The Carrier shall be at liberty to carry the cargo or part thereof to the Port of discharge by the said or other vessel or vessels either belonging to the Carrier or others, or by other means of transport, proceeding either directly or indirectly to such port.
7. Transhipment.
The Carrier shall be at liberty to tranship, lighter, land and store the cargo either on shore or afloat and reship and forward the same to the Port of discharge.
8. Liability for Pre- and On-Carriage.
When the Carrier arranges pre-carriage of the cargo from a place other than the Vessel's Port of loading or on-carriage of the cargo to a place other than the Vessel's Port of discharge, the Carrier shall contract as the Merchant's Agent only and the Carrier shall not be liable for any loss or damage arising during any part of the carriage other than between the Port of loading and the Port of discharge even though the freight for the whole carriage has been collected by him.
9. Loading and Discharging.
(a) Loading and discharging of the cargo shall be arranged by the Carrier or his Agent.
(b) The Merchant shall, at his risk and expense, handle and/or store the cargo before loading and after discharging.
(c) Loading and discharging may commence without prior notice.
(d) The Merchant or his Agent shall tender the cargo when the Vessel is ready to load and as fast as the Vessel can receive including, if required by the Carrier, outside ordinary working hours notwithstanding any custom of the port. If the Merchant or his Agent fails to tender the cargo when the Vessel is ready to load or fails to load as fast as the Vessel can receive the cargo, the Carrier shall be relieved of any obligation to load such cargo, the Vessel shall be entitled to leave the port without further notice and the Merchant shall be liable to the Carrier for deadfreight and/or any overtime charges, losses, costs and expenses incurred by the Carrier.
(e) The Merchant or his Agent shall take delivery of the cargo as fast as the Vessel can discharge including, if required by the Carrier, outside ordinary working hours notwithstanding any custom of the port. If the Merchant or his Agent fails to take delivery of the cargo the Carrier's discharging of the cargo shall be deemed fulfilment of the contract of carriage. Should the cargo not be applied for within a reasonable time, the Carrier may sell the same privately or by auction. If the Merchant or his Agent fails to take delivery of the cargo as fast as the Vessel can discharge, the Merchant shall be liable to the Carrier for any overtime charges, losses, costs and expenses incurred by the Carrier.
(f) The Merchant shall accept his reasonable proportion of unidentified loose cargo.
10. Freight, Charges, Costs, Expenses, Duties, Taxes and Fines.
(a) Freight, whether paid or not, shall be considered as fully earned upon loading and non-returnable in any event. Unless otherwise specified, freight and/or charges under this Contract are payable by the Merchant to the Carrier on demand. Interest at Libor (or its successor) plus 2 per cent. shall run from fourteen days after the date when freight and charges are payable.
(b) The Merchant shall be liable for all costs and expenses of fumigation, gathering and sorting loose cargo and weighing onboard, repairing damage to and replacing packing due to excepted causes, and any extra handling of the cargo for any of the aforementioned reasons.
(c) The Merchant shall be liable for any dues, duties, taxes and charges which under any denomination may be levied, *inter alia*, on the basis of freight, weight of cargo or tonnage of the Vessel.
(d) The Merchant shall be liable for all fines, penalties, costs, expenses and losses which the Carrier, Vessel or cargo may incur through non-observance of Customs House and/or import or export regulations.
(e) The Carrier is entitled in case of incorrect declaration of contents, weights, measurements or value of the cargo to claim double the amount of freight which would have been due if such declaration had been correctly given. For the purpose of ascertaining the actual facts, the Carrier shall have the right to obtain from the Merchant the original invoice and to have the cargo inspected and its contents, weight, measurement or value verified.
11. Lien.
The Carrier shall have a lien on all cargo for any amount due under this contract and the costs of recovering the same and shall be entitled to sell the cargo privately or by auction to satisfy any such claims.
12. General Average and Salvage.
General Average shall be adjusted, stated and settled in London according to the York-Antwerp Rules 1994, or any modification thereof, in respect of all cargo, whether carried on or under deck. In the event of accident, danger, damage or disaster before or after commencement of the voyage resulting from any cause whatsoever, whether due to negligence or not, for which or for the consequence of which the Carrier is not responsible by statute, contract or otherwise, the Merchant shall contribute with the Carrier in General Average to the payment of any sacrifice, losses or expenses of a General Average nature that may be made or incurred, and shall pay salvage and special charges incurred in respect of the cargo. If a salving vessel is owned or operated by the Carrier, salvage shall be paid for as fully as if the salving vessel or vessels belonged to strangers.
13. Both-to-Blame Collision Clause.
If the Vessel comes into collision with another vessel as a result of the negligence of the other vessel and any act, negligence or default of the Master, Mariner, Pilot or the servants of the Carrier in the navigation or in the management of the Vessel, the Merchant will indemnify the Carrier against all loss or liability to the other or non-carrying vessel or her Owner in so far as such loss or liability represents loss of or damage to or any claim whatsoever of the owner of the cargo paid or payable by the other or non-carrying vessel or her Owner to the owner of the cargo and set-off, recouped or recovered by the other or non-carrying vessel or her Owner as part of his claim against the carrying vessel or Carrier. The foregoing provisions shall also apply where the Owner, operator or those in charge of any vessel or vessels or objects other than, or in addition to, the colliding vessels or objects are at fault in respect of a collision or contact.
14. Government directions, War, Epidemics, Ice, Strikes, etc.
(a) The Master and the Carrier shall have liberty to comply with any order or directions or recommendations in connection with the carriage under this Contract given by any Government or Authority, or anybody acting or purporting to act on behalf of such Government or Authority, or having under the terms of the insurance on the Vessel the right to give such orders or directions or recommendations.
(b) Should it appear that the performance of the carriage would expose the Vessel or any cargo onboard to risk of seizure, damage or delay, in consequence of war, warlike operations, blockade, riots, civil commotions or piracy, or any person onboard to risk of loss of life or freedom, or that any such risk has increased, the Master may discharge the cargo at the Port of loading or any other safe and convenient port.
(c) Should it appear that epidemics; quarantine; ice; labour troubles, labour obstructions, strikes, lockouts (whether onboard or on shore); difficulties in loading or discharging would prevent the Vessel from leaving the Port of loading or reaching or entering the Port of discharge or there discharging in the usual manner and departing therefrom, all of which safely and without unreasonable delay, the Master may discharge the cargo at the Port of loading or any other safe and convenient port.
(d) The discharge, under the provisions of this Clause, of any cargo shall be deemed due fulfilment of the contract of carriage.
(e) If in connection with the exercise of any liberty under this Clause any extra expenses are incurred they shall be paid by the Merchant in addition to the freight, together with return freight, if any, and a reasonable compensation for any extra services rendered to the cargo.
15. Defences and Limits of Liability for the Carrier, Servants and Agents.
(a) It is hereby expressly agreed that no servant or agent of the Carrier (which for the purpose of this Clause includes every independent contractor from time to time employed by the Carrier) shall in any circumstances whatsoever be under any liability whatsoever to the Merchant under this Contract of carriage for any loss, damage or delay of whatsoever kind arising or resulting directly or indirectly from any act, neglect or default on his part while acting in the course of or in connection with his employment.
(b) Without prejudice to the generality of the foregoing provisions in this Clause, every exemption from liability, limitation, condition and liberty herein contained and every right, defence and immunity of whatsoever nature applicable to the Carrier or to which the Carrier is entitled, shall also be available and shall extend to protect every such servant and agent of the Carrier acting as aforesaid.
(c) The Merchant undertakes that no claim shall be made against any servant or agent of the Carrier and, if any claim should nevertheless be made, to indemnify the Carrier against all consequences thereof.
(d) For the purpose of all the foregoing provisions of this Clause the Carrier is or shall be deemed to be acting as agent or trustee on behalf of and for the benefit of all persons who might be his servants or agents from time to time and all such persons shall to this extent be or be deemed to be parties to this Contract of carriage.
16. Stowage.
(a) The Carrier shall have the right to stow cargo by means of containers, trailers, transportable tanks, flats, pallets, or similar articles of transport used to consolidate goods.
(b) The Carrier shall have the right to carry containers, trailers, transportable tanks and covered flats, whether stowed by the Carrier or received by him in a stowed condition from the Merchant, on or under deck without notice to the Merchant.
17. Shipper-Packed Containers, trailers, transportable tanks, flats and pallets.
(a) If a container has not been filled, packed or stowed by the Carrier, the Carrier shall not be liable for any loss of or damage to its contents and the Merchant shall cover any loss or expense incurred by the Carrier, if such loss, damage or expense has been caused by:
(i) negligent filling, packing or stowing of the container;
(ii) the contents being unsuitable for carriage in container; or
(iii) the unsuitability or defective condition of the container unless the container has been supplied by the Carrier and the unsuitability or defective condition would not have been apparent upon reasonable inspection at or prior to the time when the container was filled, packed or stowed.
(b) The provisions of sub-clause (i) of this Clause also apply with respect to trailers, transportable tanks, flats and pallets which have not been filled, packed or stowed by the Carrier.
(c) The Carrier does not accept liability for damage due to the unsuitability or defective condition of reefer equipment or trailers supplied by the Merchant.
18. Return of Containers.
(a) Containers, pallets or similar articles of transport supplied by or on behalf of the Carrier shall be returned to the Carrier in the same order and condition as handed over to the Merchant, normal wear and tear excepted, with interiors clean and within the time prescribed in the Carrier's tariff or elsewhere.
(b) The Merchant shall be liable to the Carrier for any loss, damage to, or delay, including demurrage and detention incurred by or sustained to containers, pallets or similar articles of transport during the period between handing over to the Merchant and return to the Carrier.
ADDITIONAL CLAUSE
U.S. Trade. Period of Responsibility.
(i) In case the Contract evidenced by this Bill of Lading is subject to the Carriage of Goods by Sea Act of the United States of America, 1936 (U.S. COGSA), then the provisions stated in said Act shall govern before loading and after discharge and throughout the entire time the cargo is in the Carrier's custody and in which event freight shall be payable on the cargo coming into the Carrier's custody.
(ii) If the U.S. COGSA applies, and unless the nature and value of the cargo has been declared by the shipper before the cargo has been handed over to the Carrier and inserted in this Bill of Lading, the Carrier shall in no event be or become liable for any loss or damage to the cargo in an amount exceeding USD 500 per package or customary freight unit.

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Figure 2: Conlinebill 2000

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Bill of lading – common clauses

Most bills of lading are printed on both sides. On the face (front) are boxes or spaces into which are entered all the information necessary to identify the particular cargo, the journey, the names and addresses of cargo interests and, possibly, other details, such as freight.

Two clauses are often printed on the face of the bill: a clause with very much a standard wording to say that the goods have been shipped on board in apparent good order and condition. Such wording makes the bill a **shipped bill of lading**. This type of bill is often a requirement of banks who advance money using the bill of lading as collateral security and who wish to be satisfied that the goods are on board the ship.

Sometimes the shipper requires a bill of lading before the goods have been loaded on board. In such a case, the shipping line may issue a so-called **received for shipment bill of lading** indicating that the goods have been received into its care but not yet loaded on board. Such a bill is not usually acceptable to the banks.

The other clause to be found regularly on the face is one which states that only one original bill need be surrendered, or accomplished, in exchange for the goods at destination, the others then being null and void.

The back of charter-party bills of lading usually contains a reference to the charter-party together with a small number of the more important clauses such as the clause paramount and the general average clause *(for both of which, see below)*.

On the back of the liner bill of lading are to be found the liner company's standard terms and conditions. These are set out in clauses, normally numbered one and up, often also broken down into sections. Types of clause which are to be found in most bills of lading are shown below. The wording differs according to the particular company although there are standard forms, notably issued by BIMCO.

Clause paramount: Clause which stipulates that the contract of carriage is governed by the Hague Rules or Hague-Visby Rules or the enactment of these rules in the country having jurisdiction over the contract. Also referred to as the **paramount clause**.

Deck cargo clause: Clause which exempts the ship from liability for loss or damage to cargo carried on deck.

Demise clause: Clause stipulating that the contract of carriage is between the shipper or bill of lading holder and the shipowner, who is deemed to be the carrier. Bills of lading issued by charterers of a ship on behalf of the owner and master often contain this clause. The carrier is the party responsible for the care of the cargo under the contract of carriage and the performance of that contract. The inclusion of this clause is normally intended to identify the carrier as the shipowner, thus distinguishing him from the liner company who may have chartered the ship and may therefore not be legally responsible for the navigation of the ship and the care of the cargo. Also called the **identity**

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of carrier clause. There are some countries where such a clause may not be upheld.

Demurrage clause: Demurrage is associated more with charter-parties than with liner bills of lading but, in some liner trades, there is a provision for demurrage in the event that the ship is delayed in loading or discharging. Such delays can occur when cargo is slow in arriving at the load port or when receivers cannot clear the quay quickly enough at the discharge port to free up space for the ship to continue discharging. In such cases, all the cargo interests may be liable for a share of the specified demurrage.

Deviation clause: Clause allowing the shipping line or shipowner to deviate from the agreed route or normal trade route. This clause varies from contract to contract and may permit the ship to call at unscheduled ports for whatever reason, or simply to deviate to save life or property. In a time charter-party, this clause is also known as a **putting back clause**.

Exceptions clause: Clause which exonerates the carrying ship from responsibility for damage to cargo from certain named causes such as an Act of God or negligence of the master.

Freight clause: Clause which sets out the time when freight is due, normally prepaid, and may provide for cargo interests to pay for any unspecified charges, such as duties and taxes, which may arise.

General average clause: Clause in a bill of lading or charter-party which stipulates in what country or place and by what rules, often the York-Antwerp Rules, general average is to be adjusted.

Lien clause: Clause in a voyage charter-party which entitles the shipowner to exercise a lien on the cargo, that is, to retain control of the cargo until any freight, dead freight or demurrage which is owing is paid. This provision is often incorporated into the **cesser clause** which seeks to relieve the charterer of all responsibility under the charter-party once the cargo has been shipped.

Litigation clause: Clause in a bill of lading or charter-party which stipulates that any dispute between the parties arising from the contract be resolved in a court of law, as opposed to arbitration. It also specifies which country has jurisdiction, that is, the authority to administer justice. Also known as the **jurisdiction clause**, although jurisdiction is also used to describe the prevailing law.

New Jason clause: Protective clause which provides that the shipowner is entitled to recover in general average even when the loss is caused by negligent navigation. The need for such a clause arises from the decision of an American court that, while American law exempted a shipowner from liability for loss or damage to cargo resulting from negligent navigation, this did not entitle the shipowner to recover in general average for such a loss.

Optional cargo clause: Optional cargo is cargo which is destined for one of the ship's discharge ports, the exact one not being known when the goods are loaded. It must, therefore, be stowed in such a position that it can be removed at any of the selected ports which are known as **optional ports**, without disturbing other cargo. The clause stipulates the amount of notice

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prior to arrival at one of the optional ports which the shipping line requires to discharge the cargo at that port. It specifies the options open to the ship when such notice is not given, or not given in time. In the case of a liner shipment, there may be an extra charge to the shipper for retaining an option, and an extra charge for an **optional bill of lading** being issued.

Scope of the voyage: Depending on the individual clause, this may give the ship certain freedoms, such as allowing her to call at any port on or off the route for specific reasons, for example, taking on bunkers, or to call at ports in or out of geographical rotation.

War, strikes, ice clause: This clause sets out the course of action open to the master of the ship in the event that the ship or her crew would be put at risk of harm or delay should one of these situations arise during the voyage. Possible actions, depending on the particular clause, include sailing before completing cargo operations, or proceeding to a different port to the one named in the contract.

Associated abbreviations:
BIMCO Baltic and International Maritime Council
b/l bill of lading
bol bill of lading
ga general average

See also:
Bill of lading

BIMCO sundry clauses

BIMCO (the Baltic and International Maritime Council) publish a wide range of clauses:
Arbitration Clauses
Average Bond Clause 2007
BIMCHEMTIME Vetting and Inspection Clause
BIMCO/IPTA Vegoil Tank Pre-wash Clause
Both-to-Blame Collision Clause
Bulk Carrier Safety Clause
Bulk Shipping Quality Clause for Voyage Charter Parties
Bunker Clauses for Time Charter Parties
Bunker Price Adjustment Clause
Bunker Quality Control Clause for Time Chartering
Bunker Rise Clause for Voyage Chartering
Bunker Supply and Payment Clause for Voyage Charters (Tank Vessels) (Approved by the Documentary Committee of INTERTANKO)
Calcutta-Sandheads Clauses

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BIMCO sundry clauses

Cancelling Clause 2002 (Code Name: CANCELCON 2002)
Cargo Handling Gear Clause
Carriage of Nuclear Materials
Containers Clause 2002
Currency Clause
Delay for Charterers' Purposes Clause
Delivery and Re-delivery Surveys Clause
Designated Entities Clause for Charter Parties
Dispute Resolution Clauses
Dunnage Removal Clause for Time Charter Parties
ECCTO/EPCA/INTERTANKO/BIMCO's Standard Chartering Model Clauses for Chemical Parcel Trades
EU Advance Cargo Declaration Clause for Time Charter Parties 2012
EU Advance Cargo Declaration Clause for Voyage Charter Parties 2012
Evidence of Performance Clause
General Average
General Average Absorption Clause
Guarantee Clauses
Gulf of Mexico Oil Spill Clause for Voyage Charter Parties
Hamburg Rules Charterparty Clause
Hazardous Materials Inventory Clause
Himalaya Clauses for Passenger Tickets
Hold Cleaning/Residue Disposal Clause for Time Charter Parties 2013
Hull Fouling Clause for Time Charter Parties
Ice Clause for Time Charter Parties
Ice Clause for Voyage Charter Parties
International Group of P&I Clubs Himalaya Clause for Bills of Lading and Other Contracts
International Group of P&I Clubs Financial Security in Respect of Pollution Clause
International Group of P&I Clubs Oil Pollution Indemnity Clause for penalties and fines
ISM Clause
ISPS/MTSA Clause for Time Charter Parties 2005
ISPS/MTSA Clause for Voyage Charter Parties 2005
Japanese Law and Arbitration Clause
Lay-Up Clause
Liberty and Deviation Clause for Contracts of Carriage
Lien Clause for Time Charters – Recommended Additional
Lien on Vessels (Additional Clause)
LMAA Intermediate Claims Procedure recommended additional wording
Loading and Discharging with Grabs
Mediation Clause
MLC 2006 Clauses
NAABSA Charter-party Wording

New Jason Clause
Non-Lien Provisions, suggested amplification of Clause 18 of NYPE 1946
Non-Payment of Hire Clause for Time Charter Parties
North American Advance Cargo Notification Clause for Time Charter Parties
North American Advance Cargo Notification Clause for Voyage Charter Parties
OBO (Oil-Bulk-Ore) Carriers Standard Clauses
P & I Bunker Deviation Clause, 1948
Paramount Clause General
Personal Contract Clause
Piracy Clause for Consecutive Voyage Charter Parties and COAs 2013
Piracy Clause for Single Voyage Charter Parties 2013
Piracy Clause for Time Charter Parties 2013
Protective Clauses
Putting Back Clause
Radioactivity Risk Clause for Time Charter Parties 2012
Requisition Clause
Return of Containers Clause
Sanctions Clause for Time Charter Parties
Scrap Metal Clause
Seaway and Great Lakes Trading Clause
Seaworthy Trim Clause
Securing Materials Removal Clauses for Time Charter Parties
Securing Materials Removal Clauses for Voyage Charter Parties
Shifting and Warping
Ship to Ship Transfer Clause for Time Charter Parties
Slow Steaming Clause for Time Charter Parties
Slow Steaming Clause for Voyage Charter Parties
Solid Bulk Cargoes that Can Liquefy Clause for Charter Parties
St Lawrence Seaway Clause
Stevedore Damage Clause for FIO Voyage Charter Parties 2008
Stevedore Damage Clause for Time Charter Parties 2008
Stoppage of Canals and Waterways Clause 1968 (Code Name: CONWAY)
Stowaways Clause for Time Charter Parties 2009
Strike Clause
Trimming and Grab Clauses for Bulk Cargo Trimming
Unit Limitation Clause
US Anti-Drug Abuse Act 1986 Clause for Time Charter Parties 2013
US Census Bureau Mandatory Automated Export System (AES) Clause for Time Charter Parties
US Census Bureau Mandatory Automated Export System (AES) Clause for Voyage Charter Parties
US Customs-Trade Partnership Against Terrorism (C-TPAT) Clause
US Security Clause for Time Chartering
US Security Clause for Voyage Chartering

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US Tax Reform 1986 Clause
US Wharfage Clause
Waiting for Berth Clause (Code Name: WAITBERTH 2002)
War Cancellation Clause 2004
War Risks Clause (CONWARTIME 2013)
War Risks Clause (VOYWAR 2013)
Weather Routeing Clause for Time Charter Parties

See also:
BIMCO (the Baltic and International Maritime Council)

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BIMCO sundry documents

BIMCO (the Baltic and International Maritime Council) publishes a number of standard forms for use in a variety of situations. These are listed here:

- **Barecon 2001 (revised)** – standard bareboat charter.
- **Bargehire 2008** – agreement to be used in the chartering of unmanned non self-propelled barges used for both offshore and civil work.
- **Boxchange** – document used in the day-to-day business of container logistics.
- **BIMCO Charter Party Guarantee** – guarantee underwriting charterers' obligations to pay the owners for all sums due under the time charter.
- **BIMCO Standard Bunker Contract** – standard agreement containing all the details of a supply of bunkers.
- **Boxlease** – standard container leasing agreement.
- **Conlinebooking 2000** – standard container booking note.
- **Crewman A 2009** – standard crew management agreement (cost plus fee).
- **Crewman B 2009** – standard crew management agreement (lump sum).
- **Demolishcon** – contract for the sale of vessels for demolition and recycling.
- **Gencoa** – standard contract of affreightment for the transportation of bulk dry cargoes.
- **Guardcon** – contract for the employment of security guards on vessels.
- **Layupman** – standard contract for the laying up of vessels.
- **Minrepcon** – standard minor ship repair contract.
- **Newbuildcon** – standard newbuilding contract.
- **Poolcon** – standard pooling agreement for use by tramp pools operating in dry and liquid bulk trades primarily on a contract of affreightment or spot basis.
- **Recyclecon** – standard contract for the sale of vessels for green recycling.

- **Repaircon** – standard ship repair contract.
- **Saleform 2012** – standard memorandum of agreement for the sale/purchase of a ship.
- **Shipman 2009** – standard ship management agreement.
- **Slothire** – standard slot charter party.
- **Standard Disbursement Account**.
- **Statement of Fact – short form**.
- **Towcon 2008** – international ocean towage agreement (lump sum).
- **Towhire 2008** – international ocean towage agreement (daily hire).
- **Volcoa** – standard volume contract of affreightment for the transportation of bulk dry cargoes.
- **Wreckfixed 2010** – international wreck removal and marine services agreement (fixed price – "no cure, no pay").
- **Wreckhire 2010** – international wreck removal and marine services agreement (daily hire).

See also:
BIMCO (Baltic and International Maritime Council)

BIMCO time charter-parties

BIMCO (the Baltic and International Maritime Council) publishes a number of standard time charter-parties covering a wide variety of situations. These are listed here:

- The Baltic and International Maritime Conference Uniform Time-Charter (Box Layout 1974). Code name **Baltime 1939**.
- The Baltic and International Maritime Conference Deep Sea Time Charter (Box Layout 1974). Code name **Linertime**.
- Uniform Time Charter Party for Offshore Service Vessels. Code name **Supplytime 89**.
- Uniform Time Charter Party for Container Vessels. Code name **Boxtime**.
- The Baltic and International Maritime Conference Uniform Time Charter Party for Vessels Carrying Liquified Gas. Code name **Gastime**.
- International Association of Independent Tanker Owners Tanker Time Charter Party, issued by INTERTANKO. Code name **Intertanktime 80**.
- The Baltic and International Maritime Conference Uniform Time Charter Party for Vessels Carrying Chemicals in Bulk. Code name **Bimchemtime**.
- New York Produce Exchange Form Time Charter, issued by the Association of Ship Brokers and Agents (USA), Inc. Code name **NYPE 93**.

Note that BIMCO's previous name is incorporated into the title of some of these charter-parties.

Baltime 1939 (As Revised 2001) – uniform time charter-party

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Code Name: **"NYPE 93"**
Recommended by:
The Baltic and International Maritime Council (BIMCO)
The Federation of National Associations of
Ship Brokers and Agents (FONASBA)

TIME CHARTER©

New York Produce Exchange Form

Issued by the Association of Ship Brokers and Agents (U.S.A.), Inc.

November 6th, 1913 - Amended October 20th, 1921; August 6th, 1931; October 3rd, 1946;
Revised June 12th, 1981; September 14th 1993.

THIS CHARTER PARTY, made and concluded in .....
this ..... day of ..... 19.....

Between.....
.....
Owners of the Vessel described below, and .....
.....
.....
Charterers.

Description of Vessel

Name ..... Flag ..... Built .....(year).
Port and number of Registry .....
Classed .....in .....
Deadweight .....long*/metric* tons (cargo and bunkers, including freshwater and
stores not exceeding ..... long*/metric* tons) on a salt water draft of .....
on summer freeboard.
Capacity ..... cubic feet grain .....cubic feet bale space.
Tonnage..... GT/GRT.
Speed about ..... knots, fully laden, in good weather conditions up to and including maximum
Force ..... on the Beaufort wind scale, on a consumption of about ..... long*/metric*
tons of .....

** Delete as appropriate.*
For further description see Appendix "A" (if applicable)

1. **Duration**

The Owners agree to let and the Charterers agree to hire the Vessel from the time of delivery for a period
of .....
.....
.....
.....within below mentioned trading limits.

2. **Delivery**

The Vessel shall be placed at the disposal of the Charterers at .....
.....
.....
..... The Vessel on her delivery
shall be ready to receive cargo with clean-swept holds and tight, staunch, strong and in every way fitted
for ordinary cargo service, having water ballast and with sufficient power to operate all cargo-handling gear
simultaneously.

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The Owners shall give the Charterers not less than .....days notice of expected date of delivery.

3. **On-Off Hire Survey**

Prior to delivery and redelivery the parties shall, unless otherwise agreed, each appoint surveyors, for their respective accounts, who shall not later than at first loading port/last discharging port respectively, conduct joint on-hire/off-hire surveys, for the purpose of ascertaining quantity of bunkers on board and the condition of the Vessel. A single report shall be prepared on each occasion and signed by each surveyor, without prejudice to his right to file a separate report setting forth items upon which the surveyors cannot agree. If either party fails to have a representative attend the survey and sign the joint survey report, such party shall nevertheless be bound for all purposes by the findings in any report prepared by the other party. On-hire survey shall be on Charterers' time and off-hire survey on Owners' time.

4. **Dangerous Cargo/Cargo Exclusions**

(a) The Vessel shall be employed in carrying lawful merchandise excluding any goods of a dangerous, injurious, flammable or corrosive nature unless carried in accordance with the requirements or recommendations of the competent authorities of the country of the Vessel's registry and of ports of shipment and discharge and of any intermediate countries or ports through whose waters the Vessel must pass. Without prejudice to the generality of the foregoing, in addition the following are specifically excluded: livestock of any description, arms, ammunition, explosives, nuclear and radioactive materials,
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....

(b) If IMO-classified cargo is agreed to be carried, the amount of such cargo shall be limited to ..... tons and the Charterers shall provide the Master with any evidence he may reasonably require to show that the cargo is packaged, labelled, loaded and stowed in accordance with IMO regulations, failing which the Master is entitled to refuse such cargo or, if already loaded, to unload it at the Charterers' risk and expense.

5. **Trading Limits**

The Vessel shall be employed in such lawful trades between safe ports and safe places within .....
.....excluding
.....
.....
.....as the Charterers shall direct.

6. **Owners to Provide**

The Owners shall provide and pay for the insurance of the Vessel, except as otherwise provided, and for all provisions, cabin, deck, engine-room and other necessary stores, including boiler water; shall pay for wages, consular shipping and discharging fees of the crew and charges for port services pertaining to the crew; shall maintain the Vessel's class and keep her in a thoroughly efficient state in hull, machinery and equipment for and during the service, and have a full complement of officers and crew.

7. **Charterers to Provide**

The Charterers, while the Vessel is on hire, shall provide and pay for all the bunkers except as otherwise agreed; shall pay for port charges (including compulsory watchmen and cargo watchmen and compulsory garbage disposal), all communication expenses pertaining to the Charterers' business at cost, pilotages, towages, agencies, commissions, consular charges (except those pertaining to individual crew members or flag of the Vessel), and all other usual expenses except those stated in Clause 6, but when the Vessel puts into a port for causes for which the Vessel is responsible (other than by stress of weather), then all such charges incurred shall be paid by the Owners. Fumigations ordered because of illness of the crew

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shall be for the Owners' account. Fumigations ordered because of cargoes carried or ports visited while the Vessel is employed under this Charter Party shall be for the Charterers' account. All other fumigations shall be for the Charterers' account after the Vessel has been on charter for a continuous period of six months or more.

The Charterers shall provide and pay for necessary dunnage and also any extra fittings requisite for a special trade or unusual cargo, but the Owners shall allow them the use of any dunnage already aboard the Vessel. Prior to redelivery the Charterers shall remove their dunnage and fittings at their cost and in their time.

8. **Performance of Voyages**

(a) The Master shall perform the voyages with due despatch, and shall render all customary assistance with the Vessel's crew. The Master shall be conversant with the English language and (although appointed by the Owners) shall be under the orders and directions of the Charterers as regards employment and agency; and the Charterers shall perform all cargo handling, including but not limited to loading, stowing, trimming, lashing, securing, dunnaging, unlashing, discharging, and tallying, at their risk and expense, under the supervision of the Master.

(b) If the Charterers shall have reasonable cause to be dissatisfied with the conduct of the Master or officers, the Owners shall, on receiving particulars of the complaint, investigate the same, and if necessary, make a change in the appointments.

9. **Bunkers**

(a) The Charterers on delivery, and the Owners on redelivery, shall take over and pay for all fuel and diesel oil remaining on board the Vessel as hereunder. The Vessel shall be delivered with: ..... long*/metric* tons of fuel oil at the price of .....per ton; ..... tons of diesel oil at the price of..... per ton. The vessel shall be redelivered with: ..... tons of fuel oil at the price of .....per ton; ..... tons of diesel oil at the price of ..... per ton.

** Same tons apply throughout this clause.*

(b) The Charterers shall supply bunkers of a quality suitable for burning in the Vessel's engines and auxiliaries and which conform to the specification(s) as set out in Appendix A.

The Owners reserve their right to make a claim against the Charterers for any damage to the main engines or the auxiliaries caused by the use of unsuitable fuels or fuels not complying with the agreed specification(s). Additionally, if bunker fuels supplied do not conform with the mutually agreed specification(s) or otherwise prove unsuitable for burning in the Vessel's engines or auxiliaries, the Owners shall not be held responsible for any reduction in the Vessel's speed performance and/or increased bunker consumption, nor for any time lost and any other consequences.

10. **Rate of Hire/Redelivery Areas and Notices**

The Charterers shall pay for the use and hire of the said Vessel at the rate of $..... U.S. currency, daily, **or** $..... U.S. currency per ton on the Vessel's deadweight carrying capacity, including bunkers and stores, on ..... summer freeboard, per 30 days, commencing on and from the day of her delivery, as aforesaid, and at and after the same rate for any part of a month; hire shall continue until the hour of the day of her redelivery in like good order and condition, ordinary wear and tear excepted, to the Owners (unless Vessel lost) at..... .... unless otherwise mutually agreed.

The Charterers shall give the Owners not less than ..... days notice of the Vessel's expected date and probable port of redelivery.

For the purpose of hire calculations, the times of delivery, redelivery or termination of charter shall be adjusted to GMT.

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11. **Hire Payment**

(a) *Payment*

Payment of Hire shall be made so as to be received by the Owners or their designated payee in ..... , viz .... in ..... currency, or in United States Currency, in funds available to the Owners on the due date, 15 days in advance, and for the last month or part of same the approximate amount of hire, and should same not cover the actual time, hire shall be paid for the balance day by day as it becomes due, if so required by the Owners. Failing the punctual and regular payment of the hire, or on any fundamental breach whatsoever of this Charter Party, the Owners shall be at liberty to withdraw the Vessel from the service of the Charterers without prejudice to any claims they (the Owners) may otherwise have on the Charterers.

At any time after the expiry of the grace period provided in Sub-clause 11 (b) hereunder and while the hire is outstanding, the Owners shall, without prejudice to the liberty to withdraw, be entitled to withhold the performance of any and all of their obligations hereunder and shall have no responsibility whatsoever for any consequences thereof, in respect of which the Charterers hereby indemnify the Owners, and hire shall continue to accrue and any extra expenses resulting from such withholding shall be for the Charterers' account.

(b) *Grace Period*

Where there is failure to make punctual and regular payment of hire due to oversight, negligence, errors or omissions on the part of the Charterers or their bankers, the Charterers shall be given by the Owners ..... clear banking days (as recognized at the agreed place of payment) written notice to rectify the failure, and when so rectified within those .....days following the Owners' notice, the payment shall stand as regular and punctual.

Failure by the Charterers to pay the hire within ..... days of their receiving the Owners' notice as provided herein, shall entitle the Owners to withdraw as set forth in Sub-clause 11 (a) above.

(c) *Last Hire Payment*

Should the Vessel be on her voyage towards port of redelivery at the time the last and/or the penultimate payment of hire is/are due, said payment(s) is/are to be made for such length of time as the Owners and the Charterers may agree upon as being the estimated time necessary to complete the voyage, and taking into account bunkers actually on board, to be taken over by the Owners and estimated disbursements for the Owners' account before redelivery. Should same not cover the actual time, hire is to be paid for the balance, day by day, as it becomes due. When the Vessel has been redelivered, any difference is to be refunded by the Owners or paid by the Charterers, as the case may be.

(d) *Cash Advances*

Cash for the Vessel's ordinary disbursements at any port may be advanced by the Charterers, as required by the Owners, subject to 2½ percent commission and such advances shall be deducted from the hire. The Charterers, however, shall in no way be responsible for the application of such advances.

12. **Berths**

The Vessel shall be loaded and discharged in any safe dock or at any safe berth or safe place that Charterers or their agents may direct, provided the Vessel can safely enter, lie and depart always afloat at any time of tide.

13. **Spaces Available**

(a) The whole reach of the Vessel's holds, decks, and other cargo spaces (not more than she can reasonably and safely stow and carry), also accommodations for supercargo, if carried, shall be at the Charterers' disposal, reserving only proper and sufficient space for the Vessel's officers, crew, tackle, apparel, furniture, provisions, stores and fuel.

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(b) In the event of deck cargo being carried, the Owners are to be and are hereby indemnified by the Charterers for any loss and/or damage and/or liability of whatsoever nature caused to the Vessel as a result of the carriage of deck cargo and which would not have arisen had deck cargo not been loaded.

14. **Supercargo and Meals**

The Charterers are entitled to appoint a supercargo, who shall accompany the Vessel at the Charterers' risk and see that voyages are performed with due despatch. He is to be furnished with free accommodation and same fare as provided for the Master's table, the Charterers paying at the rate of ..... per day. The Owners shall victual pilots and customs officers, and also, when authorized by the Charterers or their agents, shall victual tally clerks, stevedore's foreman, etc. Charterers paying at the rate of ..... per meal for all such victualling.

15. **Sailing orders and Logs**

The Charterers shall furnish the Master from time to time with all requisite instructions and sailing directions, in writing, in the English language, and the Master shall keep full and correct deck and engine logs of the voyage or voyages, which are to be patent to the Charterers or their agents, and furnish the Charterers, their agents or supercargo, when required, with a true copy of such deck and engine logs, showing the course of the Vessel, distance run and the consumption of bunkers. Any log extracts required by the Charterers shall be in the English language.

16. **Delivery/Cancelling**

If required by the Charterers, time shall not commence before ..... and should the Vessel not be ready for delivery on or before.....but not later than.....hours, the Charterers shall have the option of cancelling this Charter Party.

Extension of Cancelling

If the Owners warrant that, despite the exercise of due diligence by them, the Vessel will not be ready for delivery by the cancelling date, and provided the Owners are able to state with reasonable certainty the date on which the Vessel will be ready, they may, at the earliest seven days before the Vessel is expected to sail for the port or place of delivery, require the Charterers to declare whether or not they will cancel the Charter Party. Should the Charterers elect not to cancel, or should they fail to reply within two days or by the cancelling date, whichever shall first occur, then the seventh day after the expected date of readiness for delivery as notified by the Owners shall replace the original cancelling date. Should the Vessel be further delayed, the Owners shall be entitled to require further declarations of the Charterers in accordance wtih this Clause.

17. **Off Hire**

In the event of loss of time from deficiency and/or default and/or strike of officers or crew, or deficiency of stores, fire, breakdown of, or damages to hull, machinery or equipment, grounding, detention by the arrest of the Vessel, (unless such arrest is caused by events for which the Charterers, their servants, agents or subcontractors are responsible), or detention by average accidents to the Vessel or cargo unless resulting from inherent vice, quality or defect of the cargo, drydocking for the purpose of examination or painting bottom, or by any other similar cause preventing the full working of the Vessel, the payment of hire and overtime, if any, shall cease for the time thereby lost. Should the Vessel deviate or put back during a voyage, contrary to the orders or directions of the Charterers, for any reason other than accident to the cargo or where permitted in lines 257 to 258 hereunder, the hire is to be suspended from the time of her deviating or putting back until she is again in the same or equidistant position from the destination and the voyage resumed therefrom. All bunkers used by the Vessel while off hire shall be for the Owners' account. In the event of the Vessel being driven into port or to anchorage through stress of weather, trading to shallow harbors or to rivers or ports with bars, any detention of the Vessel and/or expenses resulting from such detention shall be for the Charterers' account. 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 extra bunkers consumed in consequence thereof, and all extra proven expenses may be deducted from the hire

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18. **Sublet**

Unless otherwise agreed, the Charterers shall have the liberty to sublet the Vessel for all or any part of the time covered by the Charter Party, but the Charterers remain responsible for the fulfillment of this Charter Party.

19. **Drydocking**

The Vessel was last drydocked .....

* (a) The Owners shall have the option to place the Vessel in drydock during the currency of this Charter at a convenient time and place, to be mutually agreed upon between the Owners and the Charterers, for bottom cleaning and painting and/or repair as required by class or dictated by circumstances.

* (b) Except in case of emergency no drydocking shall take place during the currency of this Charter Party.

* *Delete as appropriate*

20. **Total Loss**

Should the Vessel be lost, money paid in advance and not earned (reckoning from the date of loss or being last heard of) shall be returned to the Charterers at once.

21. **Exceptions**

The act of God, enemies, fire, restraint of princes, rulers and people, and all dangers and accidents of the seas, rivers, machinery, boilers, and navigation, and errors of navigation throughout this Charter, always mutually excepted.

22. **Liberties**

The Vessel shall have the liberty to sail with or without pilots, to tow and to be towed, to assist vessels in distress, and to deviate for the purpose of saving life and property.

23. **Liens**

The Owners shall have a lien upon all cargoes and all sub-freights and/or sub-hire for any amounts due under this Charter Party, including general average contributions, and the Charterers shall have a lien on the Vessel for all monies paid in advance and not earned, and any overpaid hire or excess deposit to be returned at once.

The Charterers will not directly or indirectly suffer, nor permit to be continued, any lien or encumbrance which might have priority over the title and interest of the Owners in the Vessel. The Charterers undertake that during the period of this Charter Party, they will not procure any supplies or necessaries or service, including any port expenses and bunkers, on the credit of the Owners or in the Owners' time.

24. **Salvage**

All derelicts and salvage shall be for the Owners' and the Charterers' equal benefit after deducting Owners' and Charterers' expenses and crew's proportion

25. **General Average**

General average shall be adjusted according to York-Antwerp Rules 1974, as amended 1990, or any subsequent modification thereof, in ..... and settled in ..... currency.

The Charterers shall procure that all bills of lading issued during the currency of the Charter Party will contain a provision to the effect that general average shall be adjusted according to York-Antwerp Rules 1974, as amended 1990, or any subsequent modification thereof and will include the "New Jason Clause" as per Clause 31.

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Time charter hire shall not contribute to general average.

26. **Navigation**

Nothing herein stated is to be construed as a demise of the Vessel to the Time Charterers. The Owners shall remain responsible for the navigation of the Vessel, acts of pilots and tug boats, insurance, crew, and all other matters, same as when trading for their own account.

27. **Cargo Claims**

Cargo claims as between the Owners and the Charterers shall be settled in accordance with the Inter-Club New York Produce Exchange Agreement of February 1970, as amended May, 1984, or any subsequent modification or replacement thereof.

28. **Cargo Gear and Lights**

The Owners shall maintain the cargo handling gear of the Vessel which is as follows: .....
.....
.....
.....
providing gear (for all derricks or cranes) capable of lifting capacity as described. The Owners shall also provide on the Vessel for night work lights as on board, but all additional lights over those on board shall be at the Charterers' expense. The Charterers shall have the use of any gear on board the Vessel. If required by the Charterers, the Vessel shall work night and day and all cargo handling gear shall be at the Charterers' disposal during loading and discharging. In the event of disabled cargo handling gear, or insufficient power to operate the same, the Vessel is to be considered to be off hire to the extent that time is actually lost to the Charterers and the Owners to pay stevedore stand-by charges occasioned thereby, unless such disablement or insufficiency of power is caused by the Charterers' stevedores. If required by the Charterers, the Owners shall bear the cost of hiring shore gear in lieu thereof, in which case the Vessel shall remain on hire.

29. **Crew Overtime**

In lieu of any overtime payments to officers and crew for work ordered by the Charterers or their agents, the Charterers shall pay the Owners, concurrently with the hire ..... per month or pro rata.

30. **Bills of Lading**

(a) The Master shall sign the bills of lading or waybills for cargo as presented in conformity with mates or tally clerk's receipts. However, the Charterers may sign bills of lading or waybills on behalf of the Master, with the Owner's prior written authority, always in conformity with mates or tally clerk's receipts.

(b) All bills of lading or waybills shall be without prejudice to this Charter Party and the Charterers shall indemnify the Owners against all consequences or liabilities which may arise from any inconsistency between this Charter Party and any bills of lading or waybills signed by the Charterers or by the Master at their request.

(c) Bills of lading covering deck cargo shall be claused: "Shipped on deck at Charterers', Shippers' and Receivers' risk, expense and responsibility, without liability on the part of the Vessel, or her Owners for any loss, damage, expense or delay howsoever caused."

31. **Protecive Clauses**

This Charter Party is subject to the following clauses all of which are also to be included in all bills of lading or waybills issued hereunder:

(a) CLAUSE PARAMOUNT

"This bill of lading shall have effect subject to the provisions of the Carriage of Goods by Sea Act of the United States, the Hague Rules, or the Hague-Visby Rules, as applicable, or such other similar national legislation as may mandatorily apply by virtue of origin or destination of the bills of lading, which shall be deemed to be incorporated herein and nothing herein contained shall be deemed a surrender by the carrier of any if its rights or immunities of any of its responsibilities or liabilities under said applicable Act. If any term of this bill of lading be repugnant to said applicable Act to any extent, such

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term shall be void to that extent, but no further."

and

(b) BOTH-TO-BLAME COLLISION CLAUSE

"If the ship comes into collision with another ship as a result of the negligence of the other ship and any act, neglect or default of the master, mariner, pilot or the servants of the carrier in the navigation or in the management of the ship, the owners of the goods carried hereunder will indemnify the carrier against all loss or liability to the other or non-carrying ship or her owners insofar as such loss or liability represents loss of, or damage to, or any claim whatsoever of the owners of said goods, paid or payable by the other or non-carrying ship or her owners to the owners of said goods and set off, recouped or recovered by the other or non-carrying ship or her owners as part of their claim against the carrying ship or carrier.

The foregoing provisions shall also apply where the owners, operators or those in charge of any ships or objects other than, or in addition to, the colliding ships or objects are at fault in respect to a collision or contact."

and

(c) NEW JASON CLAUSE

"In the event of accident, danger, damage or disaster before or after the commencement of the voyage resulting from any cause whatsoever, whether due to negligence or not, for which, or for the consequences of which, the carrier is not responsible, by statute, contract, or otherwise the goods, shippers, consignees, or owners of the goods shall contribute wth the carrier in general average to the payment of any sacrifices, losses, or expenses of a general average nature that may be made or incurred, and shall pay salvage and special charges incurred in respect of the goods.

If a salving ship is owned or operated by the carrier, salvage shall be paid for as fully as if salving ship or ships belonged to strangers. Such deposit as the carrier or his agents may deem sufficient to cover the estimated contribution of the goods and any salvage and special charges thereon shall, if required, be made by the goods, shippers, consignees or owners of the goods to the carrier before delivery."

and

(d) U.S. TRADE -DRUG CLAUSE

"In pursuance of the provisions of the U.S. Anti Drug Abuse Act 1986 or any re-enactment thereof, the Charterers warrant to exercise the highest degree of care and dilligence in preventing unmanifested narcotic drugs and marijuana to be loaded or concealed on board the Vessel.

Non-compliance with the provisions of this clause shall amount to breach of warranty for consequences of which the Charterers shall be liable and shall hold the Owners, the Master and the crew of the Vessel harmless and shall keep them indemnified against all claims whatsoever which may arise and be made against them individually or jointly. Furthermore, all time lost and all expenses incurred, including fines, as a result of the Charterers' breach of the provisions of this clause shall be for the Charterer's account and the Vessel shall remain on hire.
Should the Vessel be arrested as a result of the Charterers' non-compliance with the provisions of this clause, the Charterers shall at their expense take all reasonable steps to secure that within a reasonable time the Vessel is released and at their expense put up the bails to secure release of the Vessel.

The Owners shall remain responsible for all time lost and all expenses incurred, including fines, in the event that unmanifested narcotic drugs and marijuana are found in the possession or effects of the Vessel's personnel."

and

(e) WAR CLAUSES

"(i) No contraband of war shall be shipped. The Vessel shall not be required, without the consent of the Owners, which shall not be unreasonably withheld, to enter any port or zone which is involved in a state of war, warlike operations, or hostilities, civil strife, insurrection or piracy whether there be a declaration of war or not, where the Vessel, cargo or crew might reasonably be expected to be subject to capture, seizure or arrest, or to a hostile act by a belligerent power (the term "power" meaning any de jure or de facto authority or any purported governmental organization maintaining naval, military or air forces).

(ii) If such consent is given by the Owners, the Charterers will pay the provable additional cost of insuring the Vessel against hull risks in an amount equal to the value under her ordinary hull policy but not exceeding a valuation of ..... In addition, the Owners may purchase and the Charterers will pay for war risk insurance on ancillary risks such as loss of hire, freight disbursements, total loss, blocking and trapping, etc. If such insurance is not obtainable commercially or through a government program, the Vessel shall not be required to enter or remain at any such port or zone.

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(iii) In the event of the existence of the conditions described in (i) subsequent to the date of this Charter, or while the Vessel is on hire under this Charter, the Charterers shall, in respect of voyages to any such port or zone assume the provable additional cost of wages and insurance properly incurred in connection with master, officers, and crew as a consequence of such war, warlike operations or hostilities.

(iv) Any war bonus to officers and crew due to the Vessels's trading or cargo carried shall be for the Charterers' account."

32. **War Cancellation**

In the event of the outbreak of war (whether there be a declaration of war or not) between any two or more of the following countries: .....
.....
.....
.....
either the Owners or the Charterers may cancel this Charter Party. Whereupon, the Charterers shall redeliver the Vessel to the Owners in accordance with Clause 10; if she has cargo on board, after discharge thereof at destination, or, if debarred under this Clause from reaching or entering it, at a near open and safe port as directed by the Owners; or if she has no cargo on board, at the port at which she then is; or, if at sea, at a near open and safe port as directed by the Owners. In all cases hire shall continue to be paid in accordance with Clause 11 and except as aforesaid all other provisions of this Charter Party shall apply until redelivery.

33. **Ice**

The Vessel shall not be required to enter or remain in any icebound port or area, nor any port or area where lights or lightships have been or are about to be withdrawn by reason of ice, nor where there is risk that in the ordinary course of things the Vessel will not be able on account of ice to safely enter and remain in the port or area to get out after having completed loading or discharging. Subject to the Owners' prior approval the Vessel is to follow ice-breakers when reasonably required with regard to her size, construction and ice class.

34. **Requisition**

Should the Vessel be requisitioned by the government of the Vessel's flag during the period of this Charter Party, the Vessel shall be deemed to be off hire during the period of such requisition, and any hire paid by the said government in respect of such requisition period shall be retained by the Owners. The period during which the Vessel is on requisition to the said government shall count as part of the period provided for in this Charter Party.

If the period requisition exceeds ..... months, either party shall have the option of cancelling this Charter Party and no consequential claim may be made by either party.

35. **Stevedore Damage**

Notwithstanding anything contained herein to the contrary, the Charterers shall pay for any and all damage to the Vessel caused by stevedores provided the Master has notified the Charterers and/or their agents in writing as soon as practical but not later than 48 hours after any damage is discovered. Such notice to specify the damage in detail and to invite Charterers to appoint a surveyor to assess the extent of such damage.

(a) In case of any and all damage(s) affecting the Vessel's seaworthiness and/or the safety of the crew and/or affecting the trading capabilities of the Vessel, the Charterers shall immediately arrange for repairs of such damage(s) at their expense and the Vessel is to remain on hire until such repairs are completed and if required passed by the Vessel's classification society.

(b) Any and all damage(s) not described under point (a) above shall be repaired at the Charterers' option, before or after redelivery concurrently with the Owners' work. In such case no hire and/or expenses will be paid to the Owners except and insofar as the time and/or the expenses required for the repairs for which the Charterers are responsible, exceed the time and/or expenses necessary to carry out the Owners' work.

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36. **Cleaning of Holds**

The Charterers shall provide and pay extra for sweeping and/or washing and/or cleaning of holds between voyages and/or between cargoes provided such work can be undertaken by the crew and is permitted by local regulations, at the rate of ..... per hold.

In connection with any such operation, the Owners shall not be responsible if the Vessel's holds are not accepted or passed by the port or any other authority. The Charterers shall have the option to re-deliver the Vessel with unclean/unswept holds against a lumpsum payment of.....in lieu of cleaning.

37. **Taxes**

Charterers to pay all local, State, National taxes and/or dues assessed on the Vessel or the Owners resulting from the Charterers' orders herein, whether assessed during or after the currency of this Charter Party including any taxes and/or dues on cargo and/or freights and/or sub-freights and/or hire (excluding taxes levied by the country of the flag of the Vessel or the Owners).

38. **Charterers' Colors**

The Charterers shall have the privilege of flying their own house flag and painting the Vessel with their own markings. The Vessel shall be repainted in the Owners' colors before termination of the Charter Party. Cost and time of painting, maintaining and repainting those changes effected by the Charterers shall be for the Charterers' account.

39. **Laid Up Returns**

The Charterers shall have the benefit of any return insurance premium receivable by the Owners from their underwriters as and when received from underwriters by reason of the Vessel being in port for a minimum period of 30 days if on full hire for this period or pro rata for the time actually on hire.

40. **Documentation**

The Owners shall provide any documentation relating to the Vessel that may be required to permit the Vessel to trade within the agreed trade limits, including, but not limited to certificates of financial responsibility for oil pollution, provided such oil pollution certificates are obtainable from the Owners' P & I club, valid international tonnage certificate, Suez and Panama tonnage certificates, valid certificate of registry and certificates relating to the strengh and/or serviceability of the Vessel's gear.

41. **Stowaways**

(a) (i) The Charterers warrant to exercise due care and diligence in preventing stowaways in gaining access to the Vessel by means of secreting away in the goods and/or containers shipped by the Charterers.

(ii) If, despite the exercise of due care and diligence by the Charterers, stowaways have gained access to the Vessel by means of secreting away in the goods and/or containers shipped by the Charterers, this shall amount to breach of charter for the consequences of which the Charterers shall be liable and shall hold the Owners harmless and shall keep them indemnified against all claims whatsoever which may arise and be made against them. Furthermore, all time lost and all expenses whatsoever and howsoever incurred, including fines, shall be for the Charterers' account and the Vessel shall remain on hire.

(iii) Should the Vessel be arrested as a result of the Charterers' breach of charter according to sub-clause (a)(ii) above, the Charterers shall take all reasonable steps to secure that, within a reasonable time, the Vessel is released and at their expense put up bail to secure release of the Vessel.

(b) (i) If, despite the exercise of due care and diligence by the Owners, stowaways have gained access to the Vessel by means other than secreting away in the goods and/or containers shipped by the Charterers, all time lost and all expenses whatsoever and howsoever incurred, including fines, shall be for the Owners' account and the Vessel shall be off hire.

Figure 3: NYPE 93

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(ii) Should the Vessel be arrested as a result of stowaways having gained access to the Vessel by means other than secreting away in the goods and/or containers shipped by the Charterers, the Owners shall take all reasonable steps to secure that, within a reasonable time, the Vessel is released and at their expense put up bail to secure release of the Vessel.

42. **Smuggling**

In the event of smuggling by the Master, Officers and/or crew, the Owners shall bear the cost of any fines, taxes, or imposts levied and the Vessel shall be off hire for any time lost as a result thereof.

43. **Commissions**

A commission of .....percent is payable by the Vessel and the Owners to.....
.....
.....
.....
on hire earned and paid under this Charter, and also upon any continuation or extension of this Charter.

44. **Address Commission**

An address commission of ..... percent is payable to.....
.....
.....
.....on hire earned and paid under this Charter.

45. **Arbitration**

(a) NEW YORK
All disputes arising out of this contract shall be arbitrated at New York in the following manner, and subject to U.S. Law:

One Arbitrator is to be appointed by each of the parties hereto and a third by the two so chosen. Their decision or that of any two of them shall be final, and for the purpose of enforcing any award, this agreement may be made a rule of the court. The Arbitrators shall be commercial men, conversant with shipping matters. Such Arbitration is to be conducted in accordance with the rules of the Society of Maritime Arbitators Inc.

For disputes where the total amount claimed by either party does not exceed US $ .....** the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitators Inc.

(b) LONDON
All disputes arising out of this contract shall be arbitrated at London and, unless the parties agree forthwith on a single Arbitrator, be referred to the final arbitrament of two Arbitrators carrying on business in London who shall be members of the Baltic Mercantile & Shipping Exchange and engaged in Shipping, one to be appointed by each of the parties, with power to such Arbitrators to appoint an Umpire. No award shall be questioned or invalidated on the ground that any of the Arbitrators is not qualified as above, unless objection to his action to be taken before the award is made. Any dispute arising hereunder shall be governed by English Law.

For disputes where the total amount claimed by either party does not exceed US $ .....** the arbitration shall be conducted in accordance with the Small Claims Procedure of the London Maritime Arbitrators Association.

* *Delete para (a) or (b) as appropriate*

** *Where no figure is supplied in the blank space this provision only shall be void but the other provisions of this clause shall have full force and remain in effect.*

If mutually agreed, clauses ..... to ....., both inclusive, as attached hereto are fully incorporated in this Charter Party.

To Charter Party dated .....
Between..... Owners
and ..... Charterers

Further details of the Vessel:

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Figure 3: NYPE 93

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Bimchemtime 2005 – time charter-party for vessels carrying chemicals in bulk
Boxtime 2004 – standard time charter-party for container vessels
Bptime3 – tanker charter-party
Gastime – uniform time charter for vessels carrying liquified gas
Gentime – general time charter
Intertanktime 80 – tanker time charter-party
Linertime – deep sea time charter
NYPE 93 – standard time charter. Its full name is the New York Produce Exchange Form
Supplytime 2005 – time charter for offshore service vessels
Windtime – standard offshore wind farm personnel transfer and support vessel charter party

Alternative spelling:
Charter, **charter party**, **charter-party**

Associated illustration:
Figure 3 NYPE 93

See also:
BIMCO (Baltic and International Maritime Council)
International Association of Independent Tanker Owners (INTERTANKO)

BIMCO voyage charter-parties

BIMCO (the Baltic and International Maritime Council) publishes a number of standard voyage charter-parties covering a wide variety of commodities and situations. These are listed here. The reason for developing standard charter-parties for different commodities is to provide for specific properties of handling and carriage. In some cases, BIMCO publishes a bill of lading to be used with the charter-party. These are also listed under the appropriate charter.
Amwelsh 93 – full name Americanized Welsh Coal Charter, used for shipments of coal from Welsh ports
Austwheat 1990 – Australian Wheat
Austwheat Bill – to be used with Austwheat 1990
Bimchemvoy 2008 – voyage charter party for the transportation of chemicals in tank vessel
Bimchevoybill 2008 – to be used with Bimchemvoy 2008
Biscoilvoy 1986 – standard voyage charter for vegetable/animal oils and fats
Blackseawood – used for shipments of timber from former USSR and Romanian Black Sea and Danube ports

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BIMCO voyage charter-parties

Cementvoy 2006 – voyage charter party for the transportation of bulk cement
Cementvoybill 2006 – to be used with Cementvoy 2006
Coal-orevoy – standard coal and ore charter
Coak-orevoybill – to be used with Coal-orevoy
Congenbill 2007 – to be used with Gencon 94 and other charter-parties
Cruisevoy – standard voyage cruise charter
Ferticon 2007 – fertiliser voyage charter
Ferticonbill 2007 – to be used with Ferticon 2007
Fertisov – used for shipments of fertilisers including muriate of potash and urea from former USSR ports
Fertivoy 88 – North American Fertilizer charter
Gasvoy 2005 – standard gas voyage charter for the LPG, ammonia and liquefied petrochemical gas trades
Gencon 94 – uniform general charter
Graincon – standard grain voyage charter
Grainconbill – to be used with Graincon
Heavycon 2007 – standard heavy lift charter
Heavyconbill 2007 – to be used with Heavycon 2007
Heavyliftvoy – heavy lift voyage charter
Heavyliftvoybill – to be used with Heavyliftvoy
Hydrobill – to be used with Hydrocharter
Hydrocharter – used for shipments of fertilizer
Interconsec 76 – tanker consecutive voyage clauses
Murmapatit 1987 – for shipments of apatite ore and apatite concentrate from Murmansk
Nanyozai 1997 used for shipments of logs
Nipponcoal – coal charter
Nipponore – iron ore charter
Norgrain 89 – North American Grain Charter
Norgrainbill – to be used with Norgrain 89
Nubaltwood – for shipments of timber from Baltic and North Sea – with the exception of Russian ports – to the United Kingdom and the Republic of Ireland
Nubaltwoodbill – to be used with the Nubaltwood charter
Nuvoy-84 – universal voyage charter
Nuvoybill-84 – to be used with Nuvoy-84
Panstone – used for shipments of stone for all ports in the UK and the Republic of Ireland, the Channel Islands, and the Continent between Elbe and Brest
Polcoalvoy – used for shipments of coal from Poland
Polcoalbill – to be used with Polcoalvoy
Projectcon – special projects charter
Qafcocharter – fertiliser voyage charter for shipments from Qatar
Ruswood – used for shipments of wood from Russian Baltic, White Sea, Barents Sea and Kara Sea ports to the United Kingdom, the Republic of Ireland and other countries

Ruswoodbill – to be used with Ruswood
Scancon – to be used for fixtures with Scandinavian Charterers for trades for which no other approved form specially drafted for the trade in question is in force
Scanconbill – used with Scancon
Sovcoal 1987 – for shipments of coal, coke and coal tar pitch from former USSR countries
Sovconround – for pulpwood, pitwood, roundwood and logs from the Baltic and White Sea ports of the former USSR
Sovorecon 1987 – for ores and ore concentrates from former USSR ports
Synacomex 2000 – Voyage charter used for shipments of grain
Tankervoy 87 – tanker voyage charter
Worldfood 99 – United Nations World Food Programme charter
Worldfoodwaybill – non-negotiable liner waybill to be used with Worldfood 99
Yaracharter – originally issues as Hydrocharter; reissued as Yaracharter 1 January 2006
Yarabill – to be used with Yaracharter

Associated illustration:
Figure 4 Amwelsh 93

See also:
BIMCO (Baltic and International Maritime Council)

BIMCO (Baltic and International Maritime Council)

BIMCO is a shipping association providing a wide range of services to its global membership of stakeholders who have vested interests in the shipping industry, including shipowners, operators, managers, brokers and agents.

The association's main objective is to facilitate the commercial operations of its membership by means of developing standard contracts and clauses and providing quality information, advice and education.

BIMCO promotes fair business practices, free trade and open access to markets and is a strong advocate for the harmonization and standardization of all shipping-related activity.

Accredited as a Non-Governmental Organization (NGO) with all relevant United Nations agencies and other regulatory entities, BIMCO actively promotes the application of international agreed regulatory instruments.

For more than 100 years, the development of charter-parties and other standard shipping contracts or clauses has been one of BIMCO's core

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activities. All BIMCO contracts and clauses are developed and continuously updated by the Documentary committee and its expert sub-committees. BIMCO members can reduce their exposure to costly disputes by seeking advice from the Secretariat on interpretation of contract clauses, objective opinions on charter-party disputes, recommendations on forms to be used and other problems related to shipping documents.

BIMCO's charter-parties and forms can be accessed and also negotiated online through BIMCO Internet Document Editing Application (IDEA). The unique feature of this application is that it protects the underlying text of edited documents so that both parties will always know exactly what amendments have been made to the standard wording. More than 80 standard forms such as charter-parties, bills of lading and specialist agreements, are available on IDEA.

A global regulatory framework based on free trade, fair business practices and unhindered market access is the guarantor for the world community that shipping can continue to serve world trade in a cost-effective, predictable and reliable manner. Some nations have strong national associations to protect their members, but others are not as lucky and shipping stakeholders will rely on BIMCO to closely monitor developments and make appropriate representations on their behalf.

BIMCO, as a representative of international shipping, supports the IMO as the only entity technically capable of developing a global regulatory framework for shipping. In an effort to best protect its membership, BIMCO actively engages in the regulatory work conducted in key intergovernmental, international, regional and national policy-making circles.

BIMCO has forged strong links with European lawmakers to encourage the adoption of policies that are equitable to shipping. Across the Atlantic, it works with the US Coastguard and US authorities on issues of regulatory compliance, facilitating optimal professional guidance to members. BIMCO similarly maintains a close dialogue with the Asian regulatory entities.

Associated abbreviations:
BIMCO Baltic and International Maritime Council
IMO International Maritime Organization

See also:
Bareboat charter
BIMCO sundry clauses
BIMCO sundry documents
BIMCO time charter-parties
BIMCO voyage charter-parties

Website:
http://www.bimco.org

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Code Name: **"AMWELSH 93"**
Recommended by
The Baltic and International Maritime Council (BIMCO)
The Federation of National Associations of
Ship Brokers and Agents (FONASBA)

AMERICANIZED WELSH COAL CHARTER©

Issued by the Association of Ship Brokers and Agents (U.S.A), Inc.
New York - 1953; Amended 1979; Revised 1993

THIS CHARTER PARTY, made and concluded in.....
this.....day of.....19.....

Between.....
.....
Owners of the.....(flag) Vessel.....
of....., built.....(year) at.....(where)
of.....tons of 1000 kilos total deadweight on summer freeboard, inclusive of bunkers,
classed.....in.....and registered
at.....under No..... The Vessel's length overall is
..... and beam is..... The Vessel's fully laden draft on summer
freeboard is.....now.....and
.....
Charterers.....
of the city of .....

1. Loading Port(s)/Discharging Port(s)

That the said Vessel being tight, staunch and strong, and in every way fit for the voyage, shall, with all convenient speed, proceed to .....
.....
.....and there load, always afloat, and in the customary manner from the Charterers, in such safe berth as they shall direct, a full and complete cargo of coal.....tons of 2240 lbs/1000 kilos*.....% more or less in the Owners' option; and being so loaded, shall therefrom proceed, with all convenient speed, to .....
.....or so near thereunto as she can safely get, and there deliver her cargo, as ordered by the Charterers, where she can safely deliver it, always afloat, on having been paid freight at the rate of ..... US $ per ton of 2240 lbs/1000 kilos* on bill of lading quantity.

*) *Delete as appropriate*

2. Freight Payment

The FREIGHT shall be paid in .....
.....
.....

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***Figure 4**: AMWELSH 93*

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3. Notices & Loading Port Orders

The Master shall give the Charterers (telegraphic address "....", Telex No...., Fax No....) and .... days notice of the date of the Vessel's expected readiness to load, and approximate quantity of cargo required with the..... day notice. The Charterers shall be kept advised by any form of telecommunication of any alterations in that date, as and when known. The Charterers shall declare first or sole loading port on receipt of the Master's.....day notice, unless declared earlier.

4. Discharging Port Orders

The Master shall apply to the Charterers by any form of telecommunication for declaration of the first or sole discharging port 96 hours before the Vessel is due off/at..... .....and they are to declare same to the Master not later than 48 hours following receipt of the Master's application.

5. Laydays/Cancelling

Laytime for loading shall not commence before 0800 on the.....day of..... Should the Vessel's notice of readiness not have been tendered in accordance with Clause 6, before 1700 on the.....day of....., the Charterers shall have the option of cancelling this Charter Party, not later than one hour after the said notice has been tendered. The said cancelling date shall be extended by as many days (rounded to the nearest day) as the Charterers shall have failed to give loading port orders as provided in Clause 3 hereabove, without prejudice to the Owners' claim for detention.

If the Owners warrant that, despite the exercise of due diligence by the Owners, the Vessel will not be ready to tender notice of readiness by the cancelling date, and provided the Owners are able to state with reasonable certainty the date on which the Vessel will be ready, they may, at the earliest seven days before the Vessel is expected to sail for the port or place of loading, require the Charterers to declare whether or not they will cancel the Charter. Should the Charterers elect not to cancel, or should they fail to reply within seven days or by the cancelling date, whichever shall first occur, then the seventh day after the expected date of readiness for loading as notified by the Owners shall replace the original cancelling date. Should the Vessel be further delayed, the Owners shall be entitled to require further declarations of the Charterers in accordance with this Clause.

6. Time Counting

(a) Notice of the Vessel's readiness to load and discharge at the first or sole port shall be tendered in writing to the Charterers between 0800 and 1700 on Mondays to Fridays and between 0800 and 1200 on Saturdays. Following tender of notice of readiness, laytime shall commence 12 hours thereafter, unless the Vessel's loading or discharging has sooner commenced.

Such notice of readiness shall be tendered when the Vessel is in the loading or discharging berth, if available, and is in all respects ready to load or discharge the cargo, unless the berth is not available on the Vessel's arrival, whereupon the Master may tender the said notice from a lay berth or anchorage within the port limits.

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(b) If the Vessel is prevented from entering the port limits because the first or sole loading or discharging berth, or a lay berth or anchorage is not available, or on the order of the Charterers or any competent official body or authority, and the Master warrants that the Vessel is physically ready in all respects to load or discharge, he may tender notice, by radio, if desired, from the usual anchorage outside the port limits, whether in free pratique or not, and/or whether customs cleared or not. If after entering the port limits the Vessel is found not to be ready, the time lost from the discovery thereof, until she is ready, shall not count as laytime, or time on demurrage.

(c) Once the loading or discharging berth becomes available laytime or time on demurrage shall cease until the Vessel is in the berth, and shifting expenses shall be for the Owners'account.

(d) *Subsequent Ports* - At second or subsequent ports of loading and/or discharging, laytime or time on demurrage shall resume counting from the Vessel's arrival in loading or discharging berth, if available, or if unavailable, from the arrival time within or outside the port limits, as provided in paragraph (a) supra.

7. Laytime

(a) The Vessel shall be loaded at the average rate of.....tons of 1000 kilos per day, or pro-rata for any part of a day, or within..... running days, both of twenty-four consecutive hours, weather permitting, Sundays and Holidays excepted/included*, and discharged at the average rate of .....tons of 1000 kilos per day, or pro-rata for any part of a day, or within.....running days, both of twenty four consecutive hours, weather permitting, Sundays and Holidays excepted/included*.

Days Purposes

(b) Vessel shall be loaded and discharged within.....days of twenty-four consecutive hours, weather permitting, Sundays and Holidays excepted/included* at loading, and excepted/included* at discharge.

(c) Time used in loading and discharging during excepted periods, if any, shall count as laytime.

Non-reversible laytime

(d) In cases of separate laytime for loading and discharging, laytime shall be non-reversible.

**) Delete as appropriate*

8. Exceptions

The Owners shall be bound before and at the beginning of the voyage to exercise due diligence to make the Vessel seaworthy, and to have her properly manned, equipped and supplied, and neither the Vessel, nor the Master, or Owners shall be, or shall be held liable for any loss of, or damage, or delay to the cargo for causes excepted by the Hague Rules, or the Hague-Visby Rules, where applicable.

Figure 4: AMWELSH 93

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Neither the Vessel, her Master or Owners, nor the Charterers shall, unless otherwise expressly provided in this Charter Party, be responsible for loss or damage to, or failure to supply, load, discharge or deliver the cargo resulting from: Act of God, act of war, act of public enemies, pirates or assailing thieves; arrest or restraint of princes, rulers or people; embargoes; seizure under legal process, provided bond is promptly furnished to release vessel or cargo; floods; frosts; fogs; fires; blockades; riots; insurrections; civil commotions; earthquakes; explosions; collisions; strandings and accidents of navigation; accidents at the mines or to machinery or to loading equipment; or any other causes beyond the Owners' or the Charterers' control; always provided that such events directly affect the loading and/or discharging process of the Vessel, and its performance under this Charter Party.

9. **Strikes**

In the event of loss of time to the Vessel directly affecting the loading or discharging of this cargo, caused by a strike or lockout of any personnel connected with the production, mining, or any essential inland transport of the cargo to be loaded or discharged into/from this Vessel from point of origin, up to, and including the actual loading and discharging operations, or by any personnel essential to the actual loading and discharging of the cargo, half the laytime shall count during such periods, provided always that none of the aforementioned events did exist at the date of the charter party. If at any time during the continuance of such strikes or lockouts the Vessel goes on demurrage, said demurrage shall be paid at half the rate specified in Clause 10, hereunder, until such time as the strike or lockout terminates; thence full demurrage unless the Vessel was already on demurrage before the strike broke out, in which case full demurrage shall be paid for its entire period.

10. **Demurrage/Despatch**

Demurrage, if incurred, at loading and/or discharging port(s), shall be paid by the Charterers to the Owners at the rate of..... per day, or pro-rata for part of a day. Despatch money shall be paid by the Owners to the Charterers at half the demurrage rate for all laytime saved.

11. **Cost of Loading and Discharging**

The cargo shall be loaded, dumped, spout trimmed, and discharged by Charterers'*/Receivers'* stevedores free of risk and expense to the Vessel, under the supervision of the Master. Should the stevedores refuse to follow his instructions, the Master shall protest to them in writing and shall advise the Charterers immediately thereof.

12. **Overtime**

(a) *Expenses*

(i) All overtime expenses at loading and discharging ports shall be for account of the party ordering same.

(ii) If overtime is ordered by port authorities or the party controlling the loading and/or discharging terminal or facility all overtime expenses shall be equally shared between the Owners and the Charterers*/Receivers*.

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(iii) Overtime expenses for the Vessel's officers and crew shall always be for the Owners' account.

(b) *Time Counting*

If overtime work ordered by the Owners be performed during periods excepted from laytime the actual time used shall count; if ordered by the Charterers/Receivers, the actual time used shall not count; if ordered by port authorities or the party controlling the loading and/or discharging terminal or facility half the actual time used shall count.

**) Delete as appropriate*

13. Opening & Closing Hatches

Opening and closing of hatches at commencement and completion of loading and discharging shall be for the Owners' account and time so used is not to count. All other opening and closing of hatches shall be for the Charterers' account and time so used shall count.

14. Seaworthy Trim

Charterers shall leave the Vessel in seaworthy trim and with cargo on board safely stowed to Master's satisfaction between loading berths/ports and between discharging berths/ports, respectively; any expenses resulting therefrom shall be for Charterers' account and any time used shall count.

15. Shifting

If more than one berth of loading and discharging has been agreed, and used, costs of shifting, including cost of bunkers used, shall be for the Charterers' account, time counting.

16. Lighterage

Should the Vessel be ordered to discharge at a place where there is insufficient water for the Vessel to reach it in the first tide after her arrival there, without lightening and lie always afloat, laytime shall count as per Clause 6 at a safe anchorage or lightening place for similar size vessels bound for such a place, and any lighterage expenses incurred to enable her to reach the place of discharge shall be for the Charterers' account, any custom of the port to the contrary notwithstanding. Time occupied in proceeding from the lightening place to the discharging berth shall not count as laytime or time on demurrage.

17. Agents

The Vessel shall be consigned to.....agents at port(s) of loading, and to .....agents at port(s) of discharge.

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18. Extra Insurance on Cargo

Any extra insurance on cargo, incurred owing to Vessel's age, class, flag, or ownership to be for Owners' account up to a maximum of..... and may be deducted from the freight in the Charterers' option. The Charterers shall furnish evidence of payment supporting such deduction.

19. Stevedore Damage

(a) Any damage caused by stevedores shall be settled directly between the Owners and the stevedores.

(b) *In case the Owners are unsuccessful in obtaining compensation from the stevedores for damage for which they are legally liable, then the Charterers shall indemnify the Owners for any sums so due and unpaid.

*) *Sub-clause (b) is optional and shall apply unless deleted.*

20. Deviation

Should the Vessel deviate to save or attempt to save life or property at sea, or make any reasonable deviation, the said deviation shall not be deemed to be an infringement or breach of this Charter Party, and the Owners shall not be liable for any loss or damage resulting therefrom provided, however, that if the deviation is for the purpose of loading or unloading cargo or passengers, it shall "prima facie", be regarded as unreasonable.

21. Lien and Cesser

The Charterers' liability under this Charter Party shall cease on cargo being shipped, except for payment of freight, deadfreight and demurrage, and except for all other matters provided for in this Charter Party where the Charterers' responsibility is specified. The Owners shall have a lien on the cargo for freight, deadfreight, demurrage and general average contribution due to them under this Charter Party.

22. Bills of Lading

The bills of lading shall be prepared in accordance with the dock or railway weight and shall be endorsed by the Master, agent or Owners, weight unknown, freight and all conditions as per this Charter, such bills of lading to be signed at the Charterers' or shippers' office within twenty four hours after the Vessel is loaded. The Master shall sign a certificate stating that the weight of the cargo loaded is in accordance with railway weight certificate. The Charterers are to hold the Owners harmless should any shortage occur.

23. Grab Discharge

No cargo shall be loaded in any cargo compartment inaccessible to reach by grabs.

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24. **Protective Clauses**

This Charter Party is subject to the following clauses all of which are also to be included in all bills of lading issued hereunder:

(a) "CLAUSE PARAMOUNT: This bill of lading shall have effect subject to the provisions of the Carriage of Goods by Sea Act of the United States, the Hague Rules, or the Hague-Visby Rules, as applicable, or such other similar national legislation as may mandatorily apply by virtue of origin or destination of the bills of lading, which shall be deemed to be incorporated herein and nothing herein contained shall be deemed a surrender by the carrier of any of its rights or immunities or an increase of any of its responsibilities or liabilities under said applicable Act. If any term of this bill of lading be repugnant to said applicable Act to any extent, such term shall be void to that extent, but no further."

and

(b) "NEW BOTH-TO-BLAME COLLISION CLAUSE: If the ship comes into collision with another ship as a result of the negligence of the other ship and any act, neglect or default of the master, mariner, pilot or the servants of the carrier in the navigation or in the management of the ship, the owners of the goods carried hereunder will indemnify the carrier against all loss or liability to the other or non-carrying ship or her owners in so far as such loss or liability represents loss of, or damage to, or any claim whatsoever of the owners of said goods, paid or payable by the other or non-carrying ship or her owners to the owners of said goods and set off, recouped or recovered by the other or non-carrying ship or her owners as part of their claim against the carrying ship or carrier.

The foregoing provisions shall also apply where the owners, operators or those in charge of any ship or ships or objects other than, or in addition to, the colliding ships or objects are at fault in respect to a collision or contact."

and

(c) "NEW JASON CLAUSE: In the event of accident, danger, damage or disaster before or after commencement of the voyage, resulting from any cause whatsoever, whether due to negligence or not, for which, or for the consequences of which, the carrier is not responsible, by statute, contract or otherwise, the goods, shippers, consignees or owners of the goods shall contribute with the carrier in general average to the payment of any sacrifices, losses or expenses of a general average nature that may be made or incurred, and shall pay salvage and special charges incurred in respect of the goods.

If a salving ship is owned or operated by the carrier, salvage shall be paid for as fully as if such salving ship or ships belonged to strangers. Such deposit as the carrier or his agents may deem sufficient to cover the estimated contribution of the goods, and any salvage and special charges thereon shall, if required, be made by the goods, shippers, consignees or owners of the goods to the carrier before delivery."

and

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(d) "PROTECTION AND INDEMNITY BUNKERING CLAUSE: The Vessel in addition to all other liberties shall have liberty as part of the contract voyage and at any stage thereof to proceed to any port or ports whatsoever whether such ports are on or off the direct and/or customary route or routes to the ports of loading or discharge named in this Charter and there take oil bunkers in any quantity in the discretion of the Owners even to the full capacity of fuel tanks, deep tanks and any other compartment in which oil can be carried whether such amount is or is not required for the chartered voyage."

25. Ice Clause

Loading Port

(a) If the Vessel cannot reach the loading port by reason of ice when she is ready to proceed from her last port, or at any time during the voyage, or on her arrival, or if frost sets in after her arrival, the Master - for fear of the Vessel being frozen in - is at liberty to leave without cargo; in such cases this Charter Party shall be null and void.

(b) If during loading, the Master, for fear of the Vessel being frozen in, deems it advisable to leave, he has the liberty to do so with what cargo he has on board and to proceed to any other port with option of completing cargo for the Owners' own account to any port or ports including the port of discharge. Any part cargo thus loaded under this Charter Party to be forwarded to destination at the Vessel's expense against payment of the agreed freight, provided that no extra expenses be thereby caused to the Consignees, freight being paid on quantity delivered (in proportion if lump sum), all other conditions as per Charter Party.

(c) In case of more than one loading port, and if one or more of the ports are closed by ice, the Master or Owners to be at liberty either to load the part cargo at the open port and fill up elsewhere for the Owners' own account as under sub-clause (b) or to declare the Charter Party null and void unless the Charterers agree to load full cargo at the open port.

Voyage and Discharging Port

(d) Should ice prevent the Vessel from reaching the port of discharge, the Charterers/Receivers shall have the option of keeping the Vessel waiting until the re-opening of navigation and paying demurrage or of ordering the Vessel to a safe and immediately accessible port where she can safely discharge without risk of detention by ice. Such orders to be given within 48 hours after the Owners or Master have given notice to the Charterers/Receivers of impossibility of reaching port of destination.

(e) If during discharging, the Master, for fear of the Vessel being frozen in, deems it advisable to leave, he has liberty to do so with what cargo he has on board and to proceed to the nearest safe and accessible port. Such port to be nominated by the Charterers/Receivers as soon as possible, but not later than 24 running hours, Sundays and holidays excluded, of receipt of the Owners' request for nomination of a substitute discharging port, failing which the Master will himself choose such port.

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(f) On delivery of the cargo at such port, all conditions of the Bill of Lading shall apply and the Owners shall receive the same freight as if the Vessel had discharged at the original port of destination, except that if the distance to the substitute port exceeds 100 nautical miles the freight on the cargo delivered at that port to be increased in proportion.

26. **General Average**

General average shall be adjusted according to York-Antwerp Rules 1974, as amended 1990, or any subsequent modification thereof, in....., and settled in..... currency.

27. **War Risks**

1. The Master shall not be required or bound to sign Bills of Lading for any blockaded port or for any port which the Master or Owners in his or their discretion consider dangerous or impossible to enter or reach.

2. (A) If any port of loading or of discharge named in this Charter Party or to which the Vessel may properly be ordered pursuant to the terms of the Bills of Lading be blockaded, or

(B) If owing to any war, hostilities, warlike operations, civil war, civil commotions, revolutions, or the operation of international law (a) entry to any such port of loading or of discharge or the loading or discharge of cargo at any such port be considered by the Master or Owners in his or their discretion dangerous or (b) it be considered by the Master or Owners in his or their discretion dangerous or impossible for the Vessel to reach any such port of loading or of discharge - the Charterers shall have the right to order the cargo or such part of it as may be affected to be loaded or discharged at any other safe port of loading or of discharge within the range of loading or discharging ports respectively established under the provisions of the Charter Party (provided such other port is not blockaded or that entry thereto or loading or discharge of cargo thereat is not in the Master's or Owners' discretion dangerous or prohibited). If in respect of a port of discharge no orders be received from the Charterers within 48 hours after they or their agents have received from the Owners a request for the nomination of a substitute port, the Owners shall then be at liberty to discharge the cargo at any safe port which they or the Master may in their or his discretion decide on (whether within the range of discharging ports established under the provisions of the Charter Party or not) and such discharge shall be deemed to be due fulfilment of the contract or contracts of affreightment so far as cargo so discharged is concerned. In the event of the cargo being loaded or discharged at any such other port within the respective range of loading or discharging ports established under the provisions of the Charter Party, the Charter Party shall be read in respect of the freight and all other conditions whatsoever as if the voyage performed were that originally designated. In the event, however, that the Vessel discharges the cargo at a port outside the range of discharging ports established under the provisions of the Charter Party, freight shall be paid for as for the voyage originally designated and all extra expenses involved in reaching the actual port of discharge and/or discharging the cargo thereat shall be paid by the Charterers or cargo owners. In this latter event the Owners shall have a lien on the cargo for all such extra expenses.

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3. The Vessel shall have liberty to comply with any directions or recommendations as to departure, arrival, routes, ports of call, stoppages, destinations, zones, waters, delivery or in any other wise whatsoever given by the government of the nation under whose flag the Vessel sails or any other government or local authority including any de facto government or local authority or by any person or body acting or purporting to act as or with the authority of any such government or authority or by any committee or person having under the terms of the war risks insurance on the Vessel the right to give any such directions or recommendations. If by reason of or in compliance with any such directions or recommendations, anything is done or is not done such shall not be deemed a deviation.

If by reason of or in compliance with any such directions or recommendations the Vessel does not proceed to the port or ports of discharge originally designated or to which she may have been ordered pursuant to the terms of the Bills of Lading, the Vessel may proceed to any safe port of discharge which the Master or Owners in his or their discretion may decide on and there discharge the cargo. Such discharge shall be deemed to be due fulfilment of the contract or contracts of affreightment and the Owners shall be entitled to freight as if discharge has been effected at the port or ports originally designated or to which the Vessel may have been ordered pursuant to the terms of the Bill of Lading. All extra expenses involved in reaching and discharging the cargo at any such other port of discharge shall be paid by the Charterers and/or cargo owners and the Owners shall have a lien on the cargo for freight and all such expenses.

28. **Dues and/or Taxes**

.....

.....

.....

29. **Transfer**

The Charterers shall have the privilege of transferring part or whole of the Charter Party to others, guaranteeing to the Owners due fulfillment of this Charter Party.

30. **Address Commission**

An address commission of.....% on gross freight, deadfreight, and demurrage is due to the Charterers at the time these are paid, Vessel lost or not lost. The Charterers shall have the right to deduct such commissions from such payments.

31. **Brokerage Commission**

A brokerage commission of.....% on gross freight, deadfreight and demurrage is payable by the Owners to.....

.....

.....at the time of the Owners receiving these payments.

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32. **Arbitration** 347

(a) *NEW YORK 348

All disputes arising out of this contract shall be arbitrated at New York in the following manner, and subject to U.S. Law: 349 350

One Arbitrator is to be appointed by each of the parties hereto and a third by the two so chosen. Their decision or that of any two of them shall be final, and for the purpose of enforcing any award, this agreement may be made a rule of court. The Arbitrators shall be commercial men, conversant with shipping matters. Such Arbitration is to be conducted in accordance with the rules of the Society of Maritime Arbitrators Inc. 351 352 353 354 355

For disputes where the total amount claimed by either party does not exceed US $.....** the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators Inc. 356 357 358

(b) *LONDON 359

All disputes arising out of this contract shall be arbitrated at London and, unless the parties agree forthwith on a single Arbitrator, be referred to the final arbitrament of two Arbitrators carrying on business in London who shall be members of the Baltic Mercantile & Shipping Exchange and engaged in Shipping, one to be appointed by each of the parties, with power to such Arbitrators to appoint an Umpire. No award shall be questioned or invalidated on the ground that any of the Arbitrators is not qualified as above, unless objection to his action be taken before the award is made. Any dispute arising hereunder shall be governed by English Law. 360 361 362 363 364 365 366

For disputes where the total amount claimed by either party does not exceed US $..... .....** the arbitration shall be conducted in accordance with the Small Claims Procedure of the London Maritime Arbitrators Association. 367 368 369

** Delete (a) or (b) as appropriate* 370

*** Where no figure is supplied in the blank space this provision only shall be void but the other provisions of this clause shall have full force and remain in effect.* 371 372

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Bookings

Reservations made by a shipper or his agent with a carrier for the carriage of certain defined goods from a place of loading to a place of discharging. To reserve space in this way is **to book space**. This can be done in different ways, including online. The document containing the terms and conditions of the contract between a shipper and a shipping line is called the **booking note** or **liner booking note**. This document is superseded by the bill of lading when this is established. An example of a liner booking note is the **Conlinebooking 2000**, published by BIMCO (the Baltic and International Maritime Council). It is signed by both principals to the contract and contains:

- the names of the parties, that is, the carrier and his agents and the party representing cargo interests;
- the vessel's name and approximate time for shipment;
- the loading and discharging ports;
- the description of the cargo;
- the freight rate and where/when freight is payable;
- the rate of demurrage if applicable; and
- any special terms.

On the reverse of the Conlinebooking are the terms of the applicable bill of lading, the **Conlinebill 2000** (*see* **Bill of lading)**.

BIMCO also publishes a blank back form of liner booking note. The difference between this and the Conlinebooking is that the blank back form is deemed to contain the carrier's standard conditions of carriage.

When considering making a booking, the shipper will look for suitable sailings, that is, vessels serving the right ports of loading and discharge, capable of taking the type of cargo in question and due to load on dates appropriate to the readiness of the cargo. Such sailings can be ascertained from, for example, advertisements in the trade press, the lines' websites or circulars from the various agents.

All the bookings for a particular sailing are listed together onto a **booking list**. This is compiled from lists supplied by each of the line's agents responsible for taking bookings for the various loading ports on the ship's itinerary.

Associated abbreviations:
b/l bill of lading
bol bill of lading
b/n booking note

See also:
BIMCO (Baltic and International Maritime Council)

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Both to blame collision clause

Clause in a bill of lading or charter-party which stipulates that, in the event of a collision between two ships where both are at fault, the owners of the cargo must indemnify the carrying ship against any amount paid by the carrying ship to the non-carrying ship for damage to that cargo. This clause arises because, under American law, a cargo owner is not able to make any recovery from the carrier for damage resulting from negligent navigation but may instead sue the non-carrying ship which, in turn, seeks recovery from the carrying ship in proportion to its fault. This would render a carrier indirectly liable for a loss for which he is not directly liable to the cargo owner. The clause has, however, been held to be invalid in the American courts when incorporated into a contract with a common carrier.

The clause in BIMCO's **Gencon** charter-party reads as follows:

"If the Vessel comes into collision with another vessel as a result of the negligence of the other vessel and any act, neglect or default of the Master, Mariner, Pilot or the servants of the Owners in the navigation or in the management of the Vessel, the owners of the cargo carried hereunder indemnify the Owners against all loss or liability to the other or non-carrying vessel or her owners in so far as such loss or liability represents loss of, or damage to, or any claim whatsoever of the owners of said cargo, paid or payable by the other or non-carrying vessel or her owners to the owners of said cargo and set-off, recouped or recovered by the other or non-carrying vessel or her owners as part of their claim against the carrying Vessel or the Owners. The foregoing provisions shall also apply where the owners, operators or those in charge of any vessel or vessels or objects other than, or in addition to, the colliding vessels or objects are at fault in respect of a collision or contact."

See also:
BIMCO (Baltic and International Maritime Council)

Breakbulk liner ancillary charges

In this category fall the extra charges levied by shipping lines and liner conferences which do not come under the headings of temporary surcharges. They are many and varied and reflect, for example, the chosen voyage, the type of cargo and cargo handling.

Conventional cargoes come in many different shapes and sizes and shipping lines often make an **additional charge**, known simply as an **additional**, when a piece of cargo exceeds a certain weight or length.

Most shipping lines charge an additional sum when carrying heavy pieces, the reason being that extra handling costs are incurred, such as the hire of a mobile crane. This additional charge is known as the **heavy lift additional**, **heavy weight additional**, **heavy lift cargo additional** or **heavy lift extra**. It is an amount per tonne (1,000 kilogrammes) on a sliding scale which increases as the weight increases. The amount is added to the freight

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rate, and like the freight rate, is normally subject to any currency adjustment surcharge in force at the time of shipment. It may not be subject to any bunker surcharge, though, depending on the particular tariff. What constitutes a heavy piece is often dictated by the particular trade, the commodities regularly carried, port equipment and the vessels' lifting gear. In some trades, the extra charge applies to any piece, package or bundle weighing over 5,000 kilogrammes. In others, the dividing line is 10,000 kilogrammes. Although a heavy lift additional might apply to pieces over, say, 10,000 kilogrammes, the charge is levied on the entire weight of the piece, normally the gross weight, not just on the excess over 10,000 kilogrammes. In the case of a heavy lift ship, this additional may even start at 70 tonnes.

A heavy lift surcharge may be charged by a container shipping line for containers over a certain weight, such as 20 tonnes or 24 tonnes, often to compensate for the loss of capacity when many such containers are shipped on the same vessel.

While some pieces are unusually heavy, others are exceptionally long and also require special handling, such as the use of spreader bars. Such pieces may also take longer to load and discharge. This involves extra costs which are passed on to the shipper as an additional charge known as a **long length additional**. It is an amount per 1,000 kilogrammes or per cubic metre which increases on a sliding scale as the length increases. This is added to the freight rate and is subject to any currency surcharge (and bunker surcharge depending on the particular tariff). As with heavy lift charges, different tariffs have different starting points for the long length additional although many start around the 40 foot mark, either at exactly 40 feet or 12.2 metres or 12.25 metres. In some cases, the additional charge is an amount per tonne for each foot or part of a foot over whichever length is the starting point for this charge.

When a shipper has a large enough cargo to **induce** (attract) a ship to a (smaller) port not normally called at, the shipping line may charge a **direct additional**. Such a cargo is termed **inducement cargo**.

If the cargo is to taken to the port of loading by another ship, known as a **feeder ship**, a **feeder additional** or **transhipment additional** is usually charged.

Additional freight is an extra charge imposed in accordance with the contract of carriage by a shipping line on the shipper, receiver or bill of lading holder, as the case may be, for additional expenses incurred in discharging the cargo. This charge generally applies when the port stipulated in the contract is inaccessible or when to discharge there would result in an unreasonable delay to the ship: under these circumstances, the shipping line may have an option under the contract of carriage to proceed to another port to discharge the cargo where extra costs may be incurred.

The elements which make up the freight rates do not take account of the cost of bringing the goods to the ship (apart from some through transport or combined transport rates). In the case of conventional cargo, a separate charge exists for:

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- receiving the goods into the port;
- storing them on the ground or in a warehouse, as appropriate, pending the arrival of the ship; and
- delivery from store to the ship; and lifting to the ship.

Together, these make the **FOB charges** or simply **FOBs**. They are normally an amount per 1,000 kilogrammes of cargo and vary according to the commodity. Generally, in the liner trade FOBs are paid by the shipper to the shipping line's agent who collects on behalf of the line. The money is then remitted to the port authority. Large volume shippers, particularly those who ship bulk cargoes, often pay the port authority direct. FOB charges are generally quoted and paid in the currency of the country of shipment. With liner shipments effected on full liner terms, there are no other cargo handling charges to pay apart from the FOBs since the freight rate includes stowage and securing. If, on the other hand, the freight rate is free in, cargo interests will have stowage and securing charges to pay as well as the FOBs.

In some parts of Europe, FOB charges are referred to as **Port Liner Term Charges**. They may vary depending on the method used for delivering to the port that is, by road, rail or barge.

A liner terms freight rate is defined as including some or all of the elements of loading, stowing and discharging, or indeed none of these, according to the custom of the particular port; whatever is not included at the discharge port is paid for by the consignee. In some ports, however, it is the practice to make a separate identifiable charge, called **landing, storage and delivery**, for:

- landing of the cargo to the quay;
- short term storage awaiting collection; and
- delivery from store to the consignee's vehicle.

This charge, known widely in its abbreviated form LS&D, is an amount per freight ton, shown on the freight account and consequently paid by the shipper and not, as one might expect, by the consignee.

Alternative spellings:
Transshipment, trans-shipment

Associated abbreviations:
fob's free on board charges
hl heavy lift charge
hla heavy lift additional
hlc heavy lift charge
lla long length additional
ls&d landing, storage and delivery charges
pltc's port liner term charges

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Associated definitions:
Accessorial charges, or **accessorials** charges for services outside the normal transport charge, such as inspection charges, packing and crating. Often used in road haulage contracts.

See also:
Conventional freight and the export contract
Liner ancillary charges
Liner surcharges

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Bulk carriers

Single deck ships designed to carry homogeneous unpacked dry cargoes such as sugar or cereals. Such ships have large hatchways to facilitate cargo handling, hopper sides and wing tanks. The latter are used either for the carriage of grain, other bulk cargoes or water ballast. Bulk carriers, or **bulkers** as they are sometimes called, are built in a wide range of sizes and are generally gearless, although smaller vessels may have their own gear.

A variety of specialised types of bulk carrier have evolved, and a number are mentioned here.

Alumina carrier: typically having four holds, she is fully enclosed because of the amount of alumina dust generated by conventional systems. Loading is effected by means of a chute lowered into the holds. Self-discharging is achieved by opening gates in the floor of the holds, which allows the cargo to drop on to conveyor belts leading to one end. Mechanical or pneumatic equipment elevates it to deck level.

Bulk newsprint carrier: designed to carry rolls of newsprint, having gantry cranes to lift the cargo on and off, such ships may also be suitable for the carriage of timber cargoes and containers, thus reducing the number of voyages in ballast.

Bulk/container carrier: multi-purpose ship designed to carry a full cargo of containers or dry bulk such as grain, coal and ore. This capability enables the ship to operate in a wider range of trades and reduces the number of voyages in ballast. It is also referred to as a **container/bulk carrier** or **conbulker**.

Bulk-ore carrier: having wide hatchways and a high centre of gravity, this ship has self-trimming holds, that is, she is shaped in such a way that the cargo levels itself. This makes such ships suitable for the carriage of grain.

Capesize vessel: bulk carrier of over 80,000 tonnes deadweight, not able to transit the Suez Canal or Panama Canal so must round the Cape of Good Hope or Cape Horn.

Cement carrier: type of bulk carrier specially designed for the carriage of cement. Self-unloading ships, they have one or more conveyor belts running fore and aft which carry the cargo to the stern where one of several means of

elevating bring the cargo to deck level where it is transferred to a boom for discharging. Because of the problems with dust, special terminal facilities are required. Cement is also carried on general cargo ships and small bulk carriers.

Chinamax: bulk carrier of 400,000 tonnes deadweight, designed for the trade in iron ore between Brazil and China. This type of vessel is included in the category of very large ore carrier (VLOC).

Collier: normally with three, four or five holds, she has large hatchways to give rapid discharge by allowing the grabs easy access to all parts of the holds. Loading is effected by gravity from chutes. Some colliers have conveyor belts for discharging, in which case they are said to be **self-unloaders**.

Handymax: bulk carrier of 35,000–50,000 tonnes deadweight, so called because it is suitable for many different trades.

Handysized bulker or **handysized bulk carrier**: bulk carrier at the smaller end of the range of sizes associated with this type of ship, of 10,000–35,000 tonnes deadweight. Within this category are ships which are intended to trade into the Great Lakes of North America; their dimensions are within the constraints of the St Lawrence Seaway which is the limiting factor in this trade. Also spelled **handy-sized**.

Ice-breaking bulk carrier: bulk carrier whose hull is strengthened to enable her to navigate in conditions of ice, particularly in the ore trade carried on in the Canadian Arctic.

Laker: ship specially designed to trade in the North American Great Lakes system. Lakers are normally geared and possess an unusually large number of hatches. Some lakers never leave the Lakes and indeed a few are too large to negotiate the St Lawrence Seaway's locks which lead to the St Lawrence River and thence to the Atlantic. Others trade worldwide to avoid being laid up in the Lakes during the winter when the Seaway closes. Lakers are used principally to carry iron ore from the St Lawrence and from ore terminals within the Lakes to steel mills in the US mid-West and grain from the western Lakes to the St Lawrence.

Log carrier: any bulk carrier used for carrying logs; this ship requires a high cubic capacity because of the stowage factor of this cargo.

Mini-bulker: vessel of about 3,000 tonnes deadweight which has the constructional features of a bulk carrier, having a single deck, hoppered holds and wing tanks, but which is smaller. As with the larger bulk carriers, the mini-bulk carrier may be geared or gearless. Equally, she may have hatch covers capable of taking timber deck cargo or shipping containers.

Open hatch bulk carrier: type of bulk carrier whose hatch openings correspond in size to the floor of the holds. This allows the crane to position cargo for stowage directly into its location for the voyage and enables it to be lifted out without first being moved sideways. This configuration speeds up cargo handling and reduces damage. Such vessels are widely used for the carriage of reels of paper.

Ore carrier: large ship, generally gearless and with large hatchways,

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designed to be used for the carriage of various types of ore. Because of the high density of ore, ore carriers have a relatively high centre of gravity to prevent them being stiff when at sea, that is, rolling heavily with possible stress to the hull. This high centre of gravity is achieved by having relatively small cargo holds (small because the cargo takes up relatively little space) built over deep double-bottoms.

Ore pellet carrier: ship which must be equipped with suitable fire-fighting equipment since this type of cargo is prone to spontaneous combustion.

Panamax bulk carrier: vessel of about 60–70,000 tonnes deadweight, capable of transiting the Panama Canal.

Sail-assisted bulk carrier: bulk carrier which is conventionally constructed except for having two rectangular rigid sails mounted athwartships in a position forward of, and consequently out of the way of, the forward-most hatch covers. Savings in fuel and exhaust gas emission combined with greater stability are claimed for this design, which involves an on-board computer determining the most efficient angle for the sails.

Self-trimming ship or **self-trimmer**: ship whose holds are shaped in such a way that a bulk cargo loaded into her will level itself.

Self-unloader: ship equipped with gear to enable her to discharge without using shore equipment. Vessels of this type are used in the iron ore and coal trades. Typical gear is a boom conveyor, which is capable of a high rate of discharging from ship to shore or from ship to ship. Often, this is fed by opening gates on the floor of the holds, thus allowing the cargo to drop onto conveyor belts. It is then taken to one end where it is elevated to deck level by mechanical or pneumatic means.

Timber carrier: ship which is usually geared and with large hatchways. Sometimes referred to as a **forest products carrier**.

Universal bulk carrier: early bulk carrier designed to carry a wide range of bulk cargoes (but only one at a time). She has separate upper holds which could be used for ballast or for dense cargoes such as iron ore, while the main holds carry less dense cargoes.

Valemax: proprietary name for a bulk carrier of 400,000 tonnes deadweight, designed to carry iron ore from Brazil to China. This vessel is included in the category of very large ore carrier.

Very large ore carrier: largest of the bulk carriers, of no official size, but often described as being of 250,000 tonnes deadweight or above.

Woodchip carrier: vessel designed to carry woodchips in bulk. Normally in the size range 20,000 to 60,000 tonnes deadweight, such vessels have a high cubic capacity because of the high stowage factor of this commodity which enables them to be loaded to their marks. Discharging is effected in one of various ways, for example pneumatic conveyor belts or buckets. The advantage of woodchips over other timber products, as far as shipping is concerned, is that they are quicker to handle and are consequently more economic to transport.

Woodpulp carrier: ship whose holds are box-shaped, that is, with vertical

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sides and having no obstructions, so as to allow the cargo, which is presented in large blocks, to be stowed efficiently. Some ships have side doors to allow loading of these blocks of wood pulp when they are palletised. If the ship is also used to carry paper rolls, she must have adequate dehumidifying equipment.

Associated abbreviations:
ubc universal bulk carrier
vloc very large ore carrier

See also:
International Maritime Solid Bulk Cargoes (IMSBC) Code
Ship types

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Bunker surcharge

The bunker surcharge is a surcharge on the freight reflecting fluctuations in the price of fuel, aimed at ensuring that shipping lines are not out of pocket as a result of such fluctuations. The need for this surcharge arose suddenly in 1974 when oil prices quadrupled. Fuel then became a significant element in the shipowner's costs (to a lesser extent it still is, although, because of the high prices reached by bunker prices, shipowners have striven to find ways of reducing consumption).

Around the world, this and other surcharges were commonly set by liner conferences, groupings of shipping lines with common tariffs and rates. Conferences have been abolished in many parts of the world, and in Europe in particular it is no longer legal for shipping lines to agree a common bunker surcharge, or even to use a common formula for determining the level of any bunker surcharge. There is equally no agreement between lines as to the frequency of changes to the level of this surcharge, or the amount of notice required to be given to the trade.

Whether the surcharge is determined by a grouping of shipping lines or individual lines, the basic data needed to calculate the bunker surcharge are as follows:

- average prices of fuel, often weekly or monthly, based on published prices or indices for relevant ports
- average vessel size
- fuel consumption
- steaming time
- vessel's capacity, for example in teu's

Worldwide, fuel is quoted and purchased in US Dollars and when a tariff currency is also the US Dollar, the bunker surcharge can neatly be expressed in that currency. It should be noted, however, that any fluctuation in the value of

the Dollar in relation to the cost currencies should be allowed for in the currency adjustment factor. The bunker surcharge should therefore only change when fuel prices fluctuate.

As with the currency adjustment factor, the bunker surcharge can be negative as well as positive since fuel prices can fall as well as rise.

So that minor fluctuations in the prices of fuel do not, in turn, mean constant alterations to the bunker surcharge, most shipping lines and liner conferences will only change the level of the surcharge when the price changes by a certain minimum percentage, known as a **trigger point**. The percentage varies from case to case. Changes to the bunker surcharge may be monthly or quarterly, or at some other interval according to the particular shipping line; this is normally subject to notice – often one month – being given to shippers.

Some shipping lines combine the currency adjustment factor and the bunker surcharge. The lines calculate the two elements separately, then add them together and express tem as a single percentage of the freight. The two elements may be published for the purposes of transparency. This combined surcharge is known as a **currency and bunker adjustment factor**. Since the two constituent elements of this surcharge can be negative, or their combined result negative, the surcharge itself can therefore be negative. Trigger points exist for this surcharge in the same way as they do for the surcharges when quoted and used separately. The difference is that the currency and bunker adjustment factor will only change when the combined effect of the movements in the two reaches the minimum level required to trigger an increase.

The bunker surcharge is also termed **bunker adjustment factor, fuel oil surcharge, fuel adjustment factor**, **interim fuel participation** and, in at least one case, **bunker utilisation contribution**. To reinforce the temporary nature of this surcharge, some lines have imposed an **emergency bunker adjustment factor** or **emergency bunker surcharge**.

A l**ow sulphur surcharge** may be shown as a supplement to the bunker surcharge in some trades where vessels are operated in areas subject to regulations requiring vessels to burn a low sulphur content fuel. Alternatively a **low sulphur component** may be incorporated into the bunker surcharge.

It is not unusual to find a bunker surcharge provided for in a voyage charter for several consecutive voyages since the duration of the charter is relatively long and the shipowner is thus protected against fluctuations in fuel prices over that period (in the case of time charters, it is the charterer who pays for fuel, not the shipowner so there is no need for the owner to protect himself with a bunker surcharge clause).

Alternative spelling:
sulfur

Associated abbreviations:
baf bunker adjustment factor
bff bunker fuel factor

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b/s bunker surcharge
buc bunker utilisation contribution
cabaf currency and bunker adjustment factor
ebaf emergency bunker adjustment factor
ebs emergency bunker surcharge
faf fuel adjustment factor
fos fuel oil surcharge
ifp interim fuel participation
lsc low sulphur component
lss low sulphur surcharge
pp posted price

See also:
Bunkers
Currency adjustment factor
International Convention for the Prevention of Pollution from Ships (MARPOL)
Liner surcharges

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Bunkers

Ship's fuel. The amount of fuel burned by a ship, the prices paid and changes in price are important in a number of contexts: in time charters, voyage charters and liner contracts.

Bunkers are normally defined by means of their viscosity in centistokes. There are two main categories: residual fuels primarily for main engines, such as **Bunker C**, also known as **Fuel Oil No. 6** or **heavy fuel oil**, and distillate fuels (**marine diesel oil** and **marine gas oil**) primarily for auxiliary engines. Bunkers are generally sold in US Dollars per tonne. The International Organization for Standardization (ISO) has developed an international standard for classifying and measuring petroleum products, including marine fuels.

In a time charter, the shipowner calculates the amount of bunkers, fuel and diesel, which will be on board at the time of delivery, and he and the charterer agree prices for these. The charterer pays the shipowner accordingly when he takes delivery of the ship. When the ship is redelivered to the owner at the end of the period of the charter, the exercise is done in reverse, with the owner paying the charterer at agreed prices for bunkers remaining on board.

The price of bunkers and the ship's consumption are big factors in the estimates done by a prospective time charterer when examining voyages and comparing possible ships. Once the ship is fixed, the time charterer may have options open to him should he need to take on fuel during the voyage: where he bunkers the ship, which supplier he uses, and what quantities to take,

bearing in mind the voyage to be undertaken and the requirement to leave a certain quantity of bunkers remaining on board on redelivery.

In voyage charters, bunkers are the responsibility of the shipowner, and paid for by him, but charter-parties may include clauses referring to bunkers: the **bunker deviation clause** is a clause permitting the shipowner to proceed to any port on or off the route to take on bunkers. The **bunker escalation clause** states that, although the charter has been concluded on the basis of a particular price for bunkers, if a higher price is paid during the contracted voyage, the shipowner is to be reimbursed for the extra cost by the charterer. This is also known as the **bunker price adjustment clause** or **bunker rise clause**.

Shipping lines and liner conferences may set their freight rates for long periods, typically for a year, and are therefore vulnerable to changes in the prices of bunkers. For this reason, they may apply a surcharge, known variously as a **bunker surcharge**, **bunker adjustment factor**, **fuel oil surcharge**, **fuel adjustment factor** or **interim fuel participation**, to reflect fluctuations in prices. This surcharge is expressed in different ways: as an amount per container, per freight ton or as a percentage of the freight.

A **bunkering port** is a port at which a ship calls to take on bunkers. It is not a port where cargo is normally loaded or discharged, particularly if the bunkers are taken on at an anchorage rather than on the berth. Sometimes, shipping lines will try to take advantage of the fact that the ship is making a call at the port and will canvass for a cargo to load or discharge there, if necessary to or from barges. A **bunker barge** is a barge containing bunkers used for re-fuelling a ship alongside a quay or at anchorage. A **bunker stem** is a single delivery of bunkers. Fuel suppliers provide a form, known as a **bunker delivery note**, to a vessel which provides information about the quality and quantity of fuel supplied, and the place and date of delivery.

BIMCO (the Baltic and International Maritime Council) publish a standard marine fuels purchasing contract, codenamed **Fuelcon**. This document contains all the terms and conditions relating to the purchase of bunkers, including place, time and method of delivery, that is whether by truck or barge, quality, price and payment terms. The contract also includes a provision for samples of the fuel to be taken, which can be used later in the event of a dispute regarding quality. BIMCO also publish a standard bunker contract document, **BIMCO Standard Bunker Contract**, which contains standard terms and conditions to be used between the two parties; details of individual transactions may be contained in a so-called **Confirmation Note**. When a ship's master is in disagreement with a supplier of bunkers as to the quantity taken on board, or the quality, he may detail his reservations on a receipt to be given to the bunker suppliers. Alternatively, he may **note protest** before sailing, that is, put in writing his reservations on a separate document. This document would be important in any subsequent dispute. The receipt should bear a reference to the existence of the **letter of protest**.

Shipowners and ship operators often use intermediaries, known as **bunker**

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brokers, when buying bunkers from oil companies. These are specialists in matters of price, availability and quality.

The International Convention for the Prevention of Pollution from Ships (MARPOL) stipulates that a bunker delivery note must be provided for each delivery, and retained for at least three years. The regulations require the sulphur content to be stated.

Bunker Fuel Sulphur Content Clause for Time Charter Parties 2005 Clause in a time charter-party, published by BIMCO which sets out that the Charterers shall supply fuels of such specifications and grades to permit the Vessel, at all times, to comply with the maximum sulphur content requirements of any emission control zone when the Vessel is ordered to trade within that zone.

Associated abbreviations:
baf bunker adjustment factor
bdn bunker delivery note
bs bunker surcharge
faf fuel adjustment factor
fos fuel oil surcharge
hfo heavy fuel oil
ifp interim fuel participation
mdo marine diesel oil
mgo marine gas oil
rob remaining on board

Associated definition:
to bunker to take on fuel

See also:
Bunker surcharge
International Convention for the Prevention of Pollution from Ships (MARPOL)

Cancellation of a charter

Repudiation of the contract, most often by the voyage charterer or time charterer when the ship **misses her cancelling date**, or by the time charterer when the ship is off hire for longer than the period stipulated in the charter-party.

Every charter has a date by which the shipowner must tender notice of readiness to the charterer that the ship has arrived at the port of loading and is ready to load. This date is known as the **cancelling date**. The charterer may have the option of cancelling the charter if the ship arrives after this date.

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It may be the second of two dates which comprise the **laydays cancelling**, for example, laydays 25 March cancelling 2 April or, when abbreviated to **laycan**, laycan 25 March/2 April. The charterer is not obliged to commence loading until the first of these dates if the ship arrives earlier.

If a ship is likely to be delayed in reaching the load port (in the case of a voyage charter) or the place of delivery (in the case of a time charter), the shipowner may ask the charterer to extend the cancelling date. If the charterer agrees, the contract is amended accordingly. If not, the charterer may have the option to cancel the charter either before the cancelling date by mutual agreement or after the cancelling date within a time specified in the charter-party. Alternatively, the shipowner may be obliged to present his ship at the load port, however late.

The cancelling date may be contained in a **cancellation clause** or **cancelling clause**. Alternatively, it may be shown separately, such as in a box on the face of the charter-party. In this case, the cancelling clause merely contains the definition.

BIMCO has published a cancelling clause called **BIMCO Cancelling Clause 2002 (Code Name: CANCELCON 2002)** which reads as follows:

"(a) Should the Vessel not be ready to load (whether in berth or not) on the agreed cancelling date, the Charterers shall have the option of cancelling this Charter Party.
(b) Should the Owners anticipate that, despite the exercise of due diligence, the Vessel will not be ready to load by the cancelling date, they shall notify the Charterers thereof without delay stating the expected date of the Vessel's readiness to load and asking whether the Charterers will exercise their option of cancelling the Charter Party, or agree to a new cancelling date.
Such option must be declared by the Charterers within 48 running hours after the receipt of the Owners' notice. If the Charterers do not exercise their option of cancelling, then this Charter Party shall be deemed to be amended such that the seventh day after the new readiness date stated in the Owners' notification to the Charterers shall be the new cancelling date.
The provisions of sub-clause (b) of this Clause shall operate only once, and in case of the Vessel's further delay, the Charterers shall have the option of cancelling the Charter Party as per sub-clause (a) of this Clause."

Associated abbreviations:
BIMCO Baltic and International Maritime Conference
l/c laycan

Associated definition:
extension to the cancelling date Agreement by the charterer to a date later than the one agreed in the charter-party by which a ship must tender notice of readiness to the charterer that she has arrived and is ready to load

See also:
Laytime

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Cargo types

Cargoes fall into two basic categories: liquid and non-liquid, termed wet cargoes and dry cargoes. Each type is carried in different ways for different reasons.

Dry cargoes fall into three main categories: conventional, containerised and roll-on/roll-off. A **conventional cargo**, sometimes referred to as **break-bulk cargo**, is one which is lifted on and off a ship one piece, or bundle, at a time by means of cranes or derricks, but not shipped on trailers or in shipping containers. Such cargoes are carried in **conventional ships** which, if operated on a regular basis between advertised ports, provide a **conventional service**. These ships are often of the tween deck or multideck type which not only allows them to carry safely cargoes having many different stowage requirements but also facilitates distribution in the ship of cargo for several ports of discharge. Conventional cargo is cargo which very often does not fit into or onto any of the standard shipping containers by virtue of its length, width or height. Such cargoes are termed **uncontainerable** or **uncontainerisable**.

Containerised cargoes are cargoes carried in shipping containers. There are a number of standard sizes of container permitting their use in different transport modes worldwide. Ocean transport is generally effected in specialised ships which have cells into which the containers are lowered and where they are held in place by uprights known as cell guides. These ships are known as cellular containerships. Container barges, also known as cellular barges, are barges similarly constructed and used for river transport of containers. Containers can also be carried on conventional ships, often on deck, held down by means of special container deck fittings.

Roll-on/roll-off, often abbreviated to **ro-ro**, ships are of various types, from ferries to car carriers, but all have a loading and discharging ramp, connecting the ship with the quay. Inside the ship are vehicle decks, often many. Vehicles are driven on and off the ship over these ramps and are stowed on the decks. Other types of cargo, ranging from rolls of paper to heavy machinery, are towed on and off the ship on specialised trailers which are secured to the deck. A variation is the **sto-ro** system where cargo is towed onto the ship on trailers but then lifted off the trailers and stowed directly on the deck, enabling the specialised trailers to be retained at the loading terminal. All cargo which is on wheels and which can be driven or towed on to roll-on/roll-off ships is known as **rolling cargo** or **wheeled cargo**.

General cargo, or **generals**, is cargo consisting of goods unpacked or packed, for example in cartons, crates, bags or bales, often palletised, but specifically not cargo shipped in bulk (*see below for definition of bulk cargo*), on trailers or in shipping containers although the term general cargo is also used to describe all dry cargo other than bulk, taking in containerised goods.

General cargo is presented in different ways. Increasingly, such goods are **unitised**, that is, grouped into units of regular size, known as **unit loads**, to facilitate handling. As there are fewer lifts, unitisation increases the rate of loading and discharging of a ship. Goods shipped on pallets are examples of

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unitisation. Containerisation itself is sometimes said to be a form of unitisation in that the shipping container is a perfect example of a uniform shape.

Some importing countries require goods to be **pre-slung**, that is, to have the slings which were used to load them onto the ship left around them to simplify and speed up the discharge. This is another form of unit load.

A **bulk cargo** is a homogeneous unpacked cargo such as grain, iron ore or coal, very often carried as a full cargo on a bulk carrier. Any commodity shipped in this way is said to be **in bulk**.

Wet cargoes may be divided into black products and white products. **Black products** are crude oils, such as heavy fuel oils. These are also referred to as **dirty products** or **dirty petroleum products**. **White products** are refined products such as aviation spirit, motor spirit and kerosene. These are also referred to as **clean products** or **clean petroleum products**.

Associated abbreviations:
b/b breakbulk
cpp clean petroleum products
dpp dirty petroleum products
ro-ro roll-on/roll-off
uncon uncontainerable, uncontainerisable

Associated definitions:
Containerable or **containerisable** capable of being transported in containers
Palletised said of goods loaded onto pallets

Associated term:
To pre-sling

See also:
Containers and container types

Carrier

Party who enters into a contract with a charterer or shipper, as the case may be, for the carriage of cargo.

The carrier's principal responsibilities, subject to the terms of the contract, are for the delivery of the cargo to its destination and for the care of that cargo while it is under his control. He is responsible to the charterer or shipper in the first instance and possibly later on to other cargo interests, for example, when the bill of lading, which is a document of title to the cargo and evidence of the contract of carriage, is transferred to a third party.

Contracts of carriage arise in different circumstances, each of which determines the identity of the carrier.

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The most straightforward situations arise when the contract of carriage is between the owner of a ship and the charterer, shipper or receiver, as the case may be, covering the carriage of goods by sea: when a vessel is chartered by its owner to a charterer to carry a cargo, the charter-party provides the contract of carriage between the owner as carrier and the charterer; if it is intended that the receiver be bound by the contract, the owner issues a charter-party bill of lading and he is thereby responsible as carrier to the receiver from the time when the bill of lading is transferred to the receiver.

Likewise, a shipping line, using one of its own vessels, when it contracts with a shipper to carry a cargo, becomes carrier, the contract being most often evidenced by a liner bill of lading. As with the charter-party bill of lading, transfer of the liner bill of lading to a third party means that the shipping line's responsibility as carrier is to that third party.

The position is not so clear when the carrying ship is not owned by either of the parties to the contract of carriage. A **disponent owner**, or **head charterer**, is a person or company who does not own the ship but, having chartered it, may control its commercial operation. Such a person or company may sub-charter the vessel and enter into a contract of carriage with a sub-charterer by means of a charter-party. Alternatively, in the case of a shipping line, the disponent owner may operate it as a liner ship, issuing a liner bill of lading. Disponent owners sometimes endeavour to restrict their liability under the charter-party or bill of lading by inserting a clause, known as a **demise clause** or **identity of carrier clause**, which seeks to identify the actual owner of the ship as the carrier. The purpose of such clauses is to refer cargo interests, when they have a claim for damage or shortage, to the actual owner. This is because it is the actual owner who may be controlling the navigation of the ship and the care of the cargo, particularly when it is on board the ship. There are, however, countries where such clauses are not upheld.

A **combined transport operator** or **multimodal transport operator** enters into a contract with a shipper for the carriage of goods on a voyage involving at least two legs. Normally the issuer of this document is responsible for the goods as carrier from the time they are received into his care until the time they are delivered at destination. A through bill of lading is similar but, depending on the individual contract, the issuer may only be responsible as carrier for the sea leg, acting purely as agent for the on-carriage.

A **non vessel owning common carrier**, also referred to as **non vessel operating carrier** or **non vessel owning carrier**, is a person or company, often a forwarding agent, who does not own or even operate the carrying ship. He advertises his service based on one or more regular shipping lines with whom he may have long-term contracts. By combining many small shipments, he can cater for shippers who may be too small to deal directly or effectively with the shipping lines. He contracts with these shippers for the carriage of their cargo, normally not only for the sea leg but also to inland destinations. He issues a house bill of lading to the shipper. Whether he is a carrier by law depends on the particular terms and conditions under which he trades.

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A **pre-carrier** carries cargo from the place of origin to the port of loading. An **on-carrier** contracts to transport cargo from the port or place of discharge of a sea-going or ocean-going ship to another, often inland, destination by a different means of transport such as truck, train or barge.

A **common carrier** is anyone who advertises a service involving the carriage of goods to and from ports on a particular route. Such a carrier is required by law to accept all cargoes offered, except dangerous ones, and to make a reasonable charge for their carriage.

The term carrier is also used to describe a specialist ship, such as a car carrier, bulk carrier or combination carrier. This latter is designed to carry either bulk cargoes or cargoes of oil.

Associated terms:
on-carriage
pre-carriage
to on-carry
to pre-carry

Associated abbreviations:
nvo, **nvoc**, **nvocc** Non vessel owning common carrier, non vessel operating carrier, non vessel owning carrier

Change of destination

It happens sometimes that the merchant is required to change the destination of a consignment after the bill of lading has been prepared and the ship is on the high seas. Often this is so because a customer decides that the goods are needed at a different location, perhaps another of several processing plants, to the one agreed at the time of placing the order. Alternatively, goods may be sold while on the high seas to an end user in a different location to the original customer. Such a change of plans would only be viable if the new destination is one of the ports on the vessel's itinerary at which she has not yet arrived or a place inland from one of the ports on the vessel's itinerary at which she has not yet arrived. From the ship's point of view, there are two factors involved in a change of destination: flexibility and cost.

In the case of LCL goods, since the concept of shipping LCL is that goods from several suppliers/shippers are grouped into a container for delivery to the same destination, it follows that a change in that destination for one part of the cargo is ruled out.

With FCL goods, the contract of carriage normally specifies the places where the carrier's responsibility starts and finishes and so any variation requested by the merchant is at the carrier's discretion. Liner tariffs generally call for a few days' notice to be able to effect a change. Such a change will also depend

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on the container being in the right place for discharge at the newly requested terminal. If it has other containers on top of it, it would be impractical, time-consuming and costly to take these off the ship and reload them afterwards, although on occasion it may be possible at an additional cost. Assuming that the container is accessible and the carrier agrees, the merchant will be subject to the following extra charges which may fall under the heading of a **change of destination charge** or **change of destination fee**:

- extra freight if the new port of discharge attracts a higher freight;
- extra actual costs incurred at the new terminal, if any. In any event, the carrier will want payment for the administration and operational costs of altering the destination and the merchant will therefore pay the extra actual costs or a minimum charge whichever is the greater. This charge is normally an amount per container, higher for a 40-foot container than for a 20-footer;
- additional inland freight, if any, for delivery to a different container yard; and
- additional zone haulage, if any, for delivery to a different inland place of delivery.

A **manifest corrector** will normally have to be issued to reflect the change of destination.

A similar picture arises for breakbulk goods as for FCL goods: a change of destination requested by the merchant is at the discretion of the carrier; a few days' notice of the new destination is required; for the goods to be discharged at a different port, they must be accessible and should not be overstowed, that is, there must be no goods for other, later, ports on top of them; and additional freight is payable if the new port attracts a higher freight.

The change of destination just referred to occurs after the ship has loaded and is on her way. If the shipper is in doubt about the exact place of delivery at the time of booking space on the ship, he may ask the shipping line for an option to deliver the cargo at one of two or more places. As with the change of destination, agreement by the carrying line is at its discretion. Goods so shipped become known as **optional cargo** which, whether containerised or breakbulk, require an **optional stow**: this means that they are placed on board the ship in such a way that they can be taken off at any of the **optional ports** without the need to disturb cargo for later ports. Shipping lines usually charge a fee for this service which consists of an amount per freight ton for breakbulk cargo or an amount per container (higher for a 40-foot container than for a 20-footer) if goods are shipped FCL. This facility is not available for goods shipped LCL in the same way that a change of destination is not possible since the container has several consignments for the same, single destination. The merchant is required to give the shipping line an agreed number of days' notice before arrival at the first of the optional ports as to which of the ports he is selecting for discharge of his cargo.

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Associated abbreviations:
cod change of destination
fcl full container load
lcl less than container load

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Charter documentation

This section examines the documentation associated with charters from the perspective of the charterer. There are significant differences between time charters and voyage charters in respect of the functions of the charterer and hence of some of the documents involved.

Both voyage and time charters

The ship's agent at the loading and discharging ports prepares a **statement of facts**, detailing the dates and times of arrival of the ship and the commencement and completion of loading and discharging. This statement also details:

- the quantity of cargo loaded or discharged each day;
- normal working hours at the port;
- the hours worked and the hours stopped with the reasons for the stoppages, such as bad weather, a strike or breakdown of equipment;
- the number of gangs; and
- any relevant remarks.

This document is sometimes referred to as a **port log**. BIMCO publishes a Standard Statement of Facts (Short Form) and a Standard Statement of Facts (Oil and Chemical Tank Vessels).

Voyage charters

In certain voyage charters, it is agreed that the charterer can appoint his own port agents (*see* **Ship's agent**). In these circumstances, he needs to appoint an agent at each of the ports of the voyage. The first of these is appointed before the voyage commences, the others either at the same time or at least well before the ship arrives at the respective port.

The **time sheet** is a statement drawn up by the ship's agent at the loading and discharging ports, which details the time worked in loading or discharging the cargo together with the amount of laytime used. This latter figure, when compared with the time allowed in the charter-party, is used by the shipowner and charterer to calculate demurrage or despatch, as the case may be. BIMCO publishes a Standard Time Sheet (short form).

Time charters

Time charterers always appoint their own port agents. Before the charter is agreed, the charterer contacts prospective agents at each of the ports he

intends the vessel to call at during the period of the charter. He advises the prospective agent of the intended call and asks the agent for a **pro forma disbursements account**, that is, a statement of the expenses which are likely to be incurred, including port charges, pilotage, towage and the agent's fee. This account is used to help the charterer calculate in advance the viability of the voyage. It also serves as a basis for a request for funds by the agent when he is appointed, such funds to be made available prior to the ship's arrival. Before the voyage commences, or at least well before the vessel arrives at each respective port, the charterer appoints the port agents. Terms are agreed, usually in writing, with the agent, including the agency fee and the duties required. Once this is done, the charterer sends each agent a set of instructions relating to the intended voyage, setting out details of the cargo, requirements such as the frequency of notices to be sent, and contact details for the other agents concerned with the voyage.

An **on hire survey**, or **on hire condition survey**, is carried out and the results typed up by the surveyor(s) for the owner and charterer. This survey is carried out at the time the ship is delivered at the beginning of the period of the charter. It is carried out to determine the condition of the ship which may subsequently be compared with her condition at the end of the charter. The quantity of bunkers is ascertained for comparison with the amounts specified in the charter-party. By agreement, the ship is inspected by one surveyor only or one surveyor for each of the two parties. Which party pays for the survey and whether the time taken counts for the purpose of calculating hire money are matters agreed in the charter-party.

A **delivery certificate** is issued and signed by both charterer and owner, certifying the time, date and place of delivery of the ship, together with any notations by the charterer concerning the failure of the ship to comply in any respect with the terms of the charter-party.

As soon as possible after the contract is agreed, the charterer sends his **instructions to the master**. These contain details of the cargo, the voyage(s), names and contact details of all the port agents and bunkering plans.

After the ship completes at each of the ports, the agent sends the charterer a **disbursements account**. This is an account of all sums paid out in respect of the ship's call at the port such as pilotage, towage, port charges, any cash advanced to the master, supply of provisions and stores and the agency fee. The account is supported by receipts known as **vouchers**.

If during the charter the ship or an important piece of equipment breaks down, the ship is taken **off hire** by the charterer. Hire money is temporarily suspended until the breakdown is repaired. In practice, hire money may continue to be paid by the charterer, and refunded after the ship comes back **on hire**, together with a refund covering the amount of bunkers consumed during this period. The document detailing the off hire period is called the **off hire statement**.

At the end of the charter when the ship is redelivered to the owner, an **off**

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hire survey, or **off hire condition survey**, is carried out. This inspection is carried out to determine whether, or to what extent, the ship is in the same condition, wear and tear excepted, as on delivery. The quantity of bunkers is ascertained for comparison with the amounts specified in the charter-party. The results of the survey are typed up and sent to the owner and the charterer. A **redelivery certificate** is drawn up and signed by or on behalf of the shipowner and the charterer certifying the time, date and place of redelivery of the ship.

Alternative spelling:
off-hire

Associated abbreviations:
BIMCO Baltic and International Maritime Conference
dly delivery
redly redelivery

See also:
Chartering
Charter-party
Time charter
Voyage charter

Charter freight terms

Voyage charter freight, more often than not, consists of the ocean freight or sea freight only. This is because cargoes of sufficient size to warrant chartering a ship **(charterable quantity)** are larger than liner cargoes, normally sufficient to fill the ship; the loading and discharging berths are very often controlled by cargo owners or used frequently by them. Freight on this basis is said to be on a free in and out basis.

Free in and out

While liner terms is the mainstay of the freight rates used in the liner trade, **free in and out**, normally abbreviated to fio, together with its variations, is the backbone of the voyage chartering business. To understand the meaning of this term, it is helpful to break it down into its constituent parts. This will also assist in understanding the variations:

- free – the cost of cargo handling is free to the shipowner, that is to say, it is paid for by some other party
- in – at the port of loading
- out – at the port of discharging.

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Variations of fio

The variations of the fio rate all define the precise responsibilities of the charterer or shipper at the port of loading. More exactly, they spell out those elements for which the shipowner is not responsible. There is a school of thought that if an fio rate is not qualified, as it is in the under-mentioned examples, the shipowner is liable for the cost of, for example, stowing and trimming. To avoid any ambiguity, and possible dispute, it is therefore worthwhile using these terms:

- **free in and out and stowed** – the charterer or shipper is responsible for the cost of stowage, that is, the placing of cargo in the ship in the position which it will occupy during the voyage;
- **free in and out and stowed, lashed, secured and dunnaged** – this goes a step further than the fios rate in specifying that the costs of lashing, securing and dunnage are to be borne by the charterer or shipper (i.e. not the shipowner); and
- **free in and out and trimmed** – bulk cargoes such as grain or coal which are tipped into the hold of a ship require levelling or, as it is known, trimming. This is done for reasons of ship stability. When this task is necessary, it is performed either manually or by means of bulldozers. The fiot rate makes it clear that the charterer or shipper is required to pay for it.

Gross terms

If the shipowner does pay for loading and discharging, the contract is said to be on **gross terms**.

Basis of freight

In a voyage-charter, the charterer may pay the shipowner either an fio freight, that is, the pure carriage only, or some cargo handling may be included. In either case, the freight may be payable as a lump sum or per tonne. The former occurs in a **lump sum charter**. The charterer tells the shipowner the stowage factor of the cargo (the ratio of the cargo's measurement to its weight). The shipowner responds by stipulating the minimum quantity which the ship can lift. The whole of the ship's carrying capacity is made available to the charterer who pays a **lump sum freight**. When charter freight is paid per tonne, similar discussions will take place between shipowner and charterer as to the stowage factor of the cargo as this affects the ship's ability to carry the intended cargo and a ship with insufficient grain or bale capacity may have to be forgone. If the ship is suitable, however, agreement has to be reached as to the contractual quantity and hence the basis of payment of freight:

- **min/max quantity** – the shipowner stipulates an exact quantity which cannot be varied: this is the quantity on which freight is payable;
- a quantity with a tolerance – the quantity is specified but in this case there is an option to declare the final quantity within an agreed percentage. The option could belong to the shipowner (via the master) or to the charterer.

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The percentage varies from contract to contract and can be "more" than the specified quantity or "more or less". A charter-party with such a provision might read: "100,000 tonnes, 5 per cent **more or less in owner's option**". More or less is often abbreviated to "MOL", particularly in telex negotiations. "Owner's option" becomes OO and "charterer's option" CHOP. Hence the acronyms MOLOO and MOLCHOP;

- a minimum quantity with the charterer having the option to fill the ship to capacity. A contract might stipulate 15,000 tonnes minimum, charterer having the right to provide a **full and complete cargo** (popularly shortened to F&CC);
- **delivered weight** – this is perhaps the most frequent method of paying freight, based on weighing the cargo on discharge. The delivered or **outturn weight** will often be lower than the loaded weight because of loss of cargo caused, for example, by windage: small amounts of fine cargo, such as grain and some types of coal, are literally blown away while being handled;
- **bill of lading weight** with option on delivered weight – some charter-parties allow the merchant to pay freight on the bill of lading weight or to declare prior to breaking bulk (commencement of discharge) that he wishes to pay on the delivered weight;
- **discount in lieu of weighing** – some contracts which call for the cargo to be weighed on discharge at the ship's expense allow the merchant a discount if weighing can be dispensed with, thus saving time and money. In this case, the parties will use the bill of lading weight. The discount varies but typically could be 1 or 2 per cent.

Associated abbreviations:
f&cc full and complete cargo
fio free in and out
fios free in and out and stowed
fiot free in and out and trimmed
gt gross terms
ls lump sum
min/max minimum/maximum
molchop more or less in charterer's option
moloo more or less in owner's option

See also:
Chartering

Chartering

Ships may be operated commercially by their owners or they may be hired out. This hiring out is called **chartering** and it takes various forms, depend-

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ing on the particular trade. Ships are **chartered (in)**, that is, hired from their owners, for different reasons: bulk cargo owners who have enough cargo to fill a ship, either for one voyage or for a period of time; shipping lines who do not wish to own their own ships or who are temporarily supplementing their fleet **(slot chartering)**. Generally speaking, ships are **chartered (out)** by shipowners who do not wish to operate them commercially.

As far as cargo interests are concerned, shipping falls into two main categories: liner shipping and tramp shipping. **Liner shipping** involves regular services provided by shipping companies between scheduled, advertised ports of loading and discharging, with freight rates based on the company's tariff.

In general terms, **tramp shipping**, or **tramping**, concerns ships which will call at any port to carry whatever cargoes, most commonly bulk cargoes, are available. These ships are chartered by cargo interests from their owners in different ways and for different periods: a **voyage charter** is a contract of carriage in which the charterer pays for the use of a ship's cargo space for one, or sometimes more than one, voyage. This is as distinct from a **time charter** which is the hiring of a ship for a period of time. Occasionally, where a cargo owner has a requirement for a series of voyages to be undertaken between two specific ports or areas, he may hire ships from a shipowner under a **contract of affreightment**. This is a variation on the voyage charter.

A charterer may, in turn, charter the ship to another party. This is known as a **sub-charter**, or **sub-let**. This may happen when a time-chartered ship is to be redelivered to its owner at a place other than the port where the (final) cargo is discharged. Rather than try to find another cargo, the charterer sublets the ship to another charterer, the **sub-charterer**. If the sub-charter is a voyage charter, the sub-charterer pays **sub-freight**; if time charter, **sub-hire**.

There is another category of charter, the **bareboat charter** or **charter by demise**. This is the hiring or leasing of a ship for a period of time during which the shipowner provides only the ship while the charterer provides the crew together with all stores and bunkers and pays all operating costs. This type of charter is favoured by persons or companies who wish to own a ship for investment purposes but who do not have the desire or expertise to operate the ship. For example, banking organisations may finance a newbuilding and charter it out to a ship operator.

The parties to these contracts are the **shipowner** and the **charterer**. In the case of a sub-charter, the parties are the **disponent owner** and the charterer. These are also described respectively as the charterer and sub-charterer. Normally, intermediaries act for both parties; these are the **shipbrokers** who may be **charterer's agent** or **owner's broker** (*see* **Shipbroker**).

The document containing the chartering contract is the **charter-party**, often referred to simply as the **charter**. This may be a **voyage charter-party**, a **time charter-party** or **bareboat charter-party**, depending on the type of contract. There are many standard forms of charter-party which are described and reproduced elsewhere in this book.

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Associated abbreviations:
t/c time charter
v/c voyage charter

Associated definitions:
A charter The chartering or hiring of a ship. Also short form for charter-party
Charterable quantity Cargo sufficient to fill the size of ship likely to be found for a particular voyage
Part charter The chartering of a ship to carry a quantity of goods which represents only a part of the cargo. Very often, although the size of the cargo is not enough to fill a ship, it is sufficient to warrant the ship calling at a separate berth where loading or discharging is controlled by the charterer
To charter Said of a shipowner, to hire or charter his ship out to a charterer. Said of a charterer, to hire or charter a ship from its owner

Associated terms:
A slot charter
To slot charter
To sub-charter
Tramp ship

See also:
Bareboat charter
Contract of affreightment
Time charter
Voyage charter

Chartering – offer and counter-offer

Exchange of correspondence between a shipowner and a charterer, often by means of intermediaries acting for each, respectively owner's broker and chartering agent, leading to the chartering of a ship.

Offers (and **counter-offers**) can be firm or conditional. To conclude a contract is **to fix a ship**, the conclusion of a contract being known as a **fixture**.

A **firm offer** is one which is not conditional in any way and is binding on the party making it, provided that it is accepted in full and within any time limit specified in it.

Normally, offers have conditions attached, known as **subjects**, particularly in the early stages of negotiations, such that an acceptance will only result in a contract when the **subjects are lifted**, that is to say, when the conditions are met (*but see* **subject details** *below*). A counter-offer may commence with the words **accept except**; the message will then list the details or clauses not

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agreed to together with any amendments sought. A ship is said to be **fixed on subjects** when the terms and conditions of chartering her have been agreed except for a few, often minor, details.

Examples of subjects include: **subject free**, meaning that the acceptance of the offer will only result in a fixture if a contract has not been concluded in the meantime with a third party. This is also known as **subject open** or **subject unfixed**. **Subject stem** denotes that the offer is made subject to the availability of the cargo on the dates when the ship is being offered.

Subject details means that only minor details remain to be agreed. It is widely accepted that the conclusion of a contract is conditional on these details being agreed although an American court has ruled that the acceptance of such an offer or counter-offer is sufficient to create a contract, leaving the details to be agreed subsequently.

The correspondence can start with an offer either of a ship or of a cargo. The exact content will differ according to each set of circumstances and whether it concerns a time charter or voyage charter.

The initial offer for a voyage charter from a shipowner might specify the ship's name, deadweight, the date and place when she is open, possible voyage and an idea of the rate required. A charterer would state the size and type of cargo, readiness dates, voyage and also indicate the rate sought. These initial offers are sent out by telex, fax, e-mail, from internet websites and by circulars distributed by brokers acting for both sides.

Once a potential match is found between ship and cargo, the shipowner is able to estimate the costs of the proposed voyage and so the exchange of correspondence becomes more detailed in respect of, for example, the freight rate or hire being offered and indications or guarantees of how much the ship will lift. Particular details may be made **without guarantee**.

The exact cargo size may not be known at this stage and may be qualified with the word **about** (often abbreviated to abt). A shipowner may offer his ship to a prospective charterer with a large spread of dates, known as a **wide laycan**, in order to minimise the risk of the ship arriving after the cancelling date. The prospective charterer may want to **narrow the laycan**, that is, to reduce the number of days between the first of the laydays and the last, because of berth or labour availability or because of cargo readiness or delivery requirements.

During the negotiating stage, the shipowner may have more than one ship **coming free** (becoming available) and may not know which one will perform the voyage. He may, therefore, offer a named ship or (similar) substitute, or a **vessel TBN (to be nominated)** or a **vessel TBA (to be advised)**, or simply a **TBN** or a **TBA**. He will be required to **nominate**, or designate, the exact ship by a certain time before commencement of the charter.

However, at the time when the contract for a voyage charter has been made, the shipowner may not know which of his ships will perform the voyage. It may then be described as a "named ship" or **similar substitute**.

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A typical counter-offer for a voyage charter, made by a shipowner partway through negotiations, would contain:

- the ship's name, if it is known which ship is proposed
- year of build
- ship's deadweight
- cargo type
- cargo quantity and any qualifications, for example 5 per cent **more or less in owners' option**
- stowage factor
- laycan
- voyage, for example the names of the load and discharge ports
- rate of freight or lump sum
- terms of freight, for example fio
- excepted periods, for example, Saturdays, Sundays and holidays excluded
- rate of demurrage/despatch
- commission amount
- amendments sought to any details or clauses
- time limit; generally, offers (and counter-offers) will specify a time limit after which the offer lapses.

An offer for a vessel on time charter would include her speed and consumption of fuel and diesel and possibly the place or area where she will be delivered and/or redelivered.

Finally, it should be noted that much of this correspondence is made up of abbreviations because, traditionally, negotiating had been by cable or telex with the need to save on the cost of communications.

Associated definitions:
Counter short for counter-offer
More or less in charterers' option option to the charterer to provide a specified percentage more or less than the quantity stipulated
To lift subjects to remove conditions
To offer firm to make a firm offer

Associated terms:
Substitution
To substitute

Associated abbreviations:
abt about
a/c account
charts charterers
fio free in and out
fhex Fridays and holidays excepted; Fridays and holidays excluded
laycan laydays cancelling

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l/c laycan
molchop more or less in charterers' option
moloo more or less in owners' option
shex Sundays and holidays excepted; Sundays and holidays excluded
shinc Sundays and holidays included
sim sub similar substitute
sshex Saturdays, Sundays and holidays excepted; Saturdays, Sundays and holidays excluded
sshinc Saturdays, Sundays and holidays included
sub subject or substitute
sub dets subject details
tba to be advised
tbn to be nominated
wog without guarantee

See also:
Cancellation of a charter
Laytime
Penalties

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Charter-party bills of lading, waybills and cargo receipts

A variety of documents arise from the chartering of a ship, commencing with the document containing the contract itself, the **charter-party**. The type of charter-party and its content depend on whether it is a time charter or voyage charter and the type of commodity to be carried (*see* **Chartering** *and* **Charter-party**).

A **charter-party bill of lading** is issued by the shipowner for a shipment of cargo on a chartered ship when it is intended that the bill of lading be passed to the receiver and that the receiver be bound by the terms and conditions of the charter-party. A clause to this effect incorporating the date and place of signature of the charter-party appears on the bill of lading.

Occasionally, the charterer or his agent will want to issue a bill of lading, particularly when he acts as carrier. Such a document is called a **charterer's bill of lading**.

A variety of **waybills** and **cargo receipts** exist for situations where only one function of the bill of lading, that of receipt for the cargo on board the vessel, is required. Unlike a bill of lading, the waybill and cargo receipt are not documents of title – they contain a clause specifying that delivery will be made by the carrier to the party named in the document. Again, unlike a bill of lading, which is evidence of a contract of carriage, charter-party waybills and

cargo receipts contain a clause or box identifying the charter-party governing the contract of carriage. The Baltic and International Maritime Council (BIMCO) publishes several waybills and receipts for different purposes:

- a Non-negotiable Tanker Waybill, codenamed **Tankwaybill 81**;
- a Non-negotiable Chemical Tanker Waybill, codenamed **Chemtankwaybill 85**;
- a Non-negotiable Gas Tank Waybill for use in the LPG Trade, codenamed **Gastankwaybill**;
- a Non-negotiable Cargo Receipt for heavy lifts, codenamed **Heavyconreceipt** to be used with the Heavycon 2007 charter;
- a Non-negotiable Cargo Receipt for food shipped by the World Food Programme in Rome, codenamed **Worldfoodreceipt 99**; and
- Yara Sea Waybill (Edition 2006), codenamed **Yarawaybill**, to be used with Yaracharter.

Associated abbreviations:
b/l bill of lading
c/p charter-party
w/b waybill

See also:
Bill of lading
Waybill

Charter-party

Documents containing all the terms and conditions of the contract between a shipowner and a charterer. Charter-parties, or **charters** as they are often referred to, fall into two main categories: **voyage charter-parties** and **time charter-parties**. Time charters are contracts for the hire of a ship whereas voyage charters cover the space in a ship.

Most charter-parties are standard forms. Different standard forms have evolved for different trades. BIMCO (the Baltic and International Maritime Council) publishes voyage charter-parties for cement, coal, fertilisers, gas, grain, ore, stone, tankers and wood, as well as a number of general charters. It also publishes a number of time charters, for use in different situations. There are also a number of so-called private forms, that is, charter-parties developed and published by individual companies, both for voyage and time charters. The majority of these are produced by the major oil companies. An example is BeePeeVoy 4, a BP voyage charter-party.

Charter-parties contain various clauses setting out the rights and responsibilities of both parties in relation to such matters as payment of freight or

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hire and contingencies for strikes, general average and war. They also contain details relating to the individual contract, such as the amount of freight, lay time, demurrage, the ship's construction, speed and consumption. The older forms leave spaces for this information, while the newer types – known as **box-layout charters** – have boxes into which the specific information is inserted. *For an example of a box-layout charter, see* **Gencon** *under* **Voyage charter** and Figure 16.

The standard clauses may be varied and/or added to by agreement of the two parties. When a significant number of clauses are added, these may be included in an **addendum to the charter**.

Charter-parties are signed by both the shipowner and the charterer or their agents. When signed by an agent, it is normal to add the words **as agent only**.

Abbreviations:
c/p charter-party
t/c time charter
v/c voyage charter

Alternative spellings:
Charter party
Charterparty

See also:
Bareboat charter
BIMCO (Baltic and International Maritime Council)
Chartering
Sundry charter-party clauses (found in both voyage and time charters)
Sundry time charter-party clauses
Sundry voyage charter-party clauses
Time charter
Voyage charter

Classification societies

Classification societies are organisations whose main function is to carry out surveys of ships while being built and at regular intervals after construction, their purpose being to set and maintain standards of construction and upkeep for ships and their equipment.

Each classification society has a set of rules governing the requirements for surveys and a number of classes; these are categories denoting the type of ship and the classification society with which she is classed. Probably the best known class is 100A1 used by Lloyd's Register of Shipping and other classification societies. The assigning of a class depends on a ship being constructed

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in accordance with the classification society's rules and, for a ship to **maintain her class**, she must continue to comply with these rules. Periodically, and after any collision, ships are surveyed by a classification society surveyor to ensure that they meet the minimum standards for continued trading set by the society. These are known as **classification surveys**.

Expiry of class occurs when the term of classification expires and is not renewed. **Suspension of class** occurs when recommendations of the classification society have not been implemented or when surveys have not been carried out on time or when the ship is operated in conditions not allowed for in the classification certificate. Class may also be suspended when fees are unpaid. In order to be reinstated, the ship must undergo the necessary surveys.

If the shipowner does not comply with reinstatement surveys, the classification society may decide to **withdraw the class**. The ship is then removed from the classification register.

In most countries, it is not obligatory for a shipowner to have his ship classed but there would be considerable difficulties in trading if the ship were not, since it is often a condition of the ship's insurance and a requirement of most charterers and shippers. Classification societies also inspect and approve the construction of shipping containers. Charterers often stipulate a **first class ship**, that is, a ship to which the highest class has been given.

Some classification societies publish a **classification register**, listing all the ships classed by that society and in the case of the register published by Lloyd's Register of Shipping, all ships over a certain size. Against each ship is recorded such information as the place and date of build, the tonnages and capacities, dimensions, number of decks, holds and hatches and details of engines and boilers.

Classification societies exist in most of the principal maritime countries. Major ones include:

- American Bureau of Shipping (ABS)
- Bureau Veritas (BV) (France)
- China Classification Society (CCS)
- Croatian Register of Shipping (CRS)
- Det Norske Veritas (DNV) (Norway)*
- Germanischer Lloyd (GL) (Germany)*
- Hellenic Register of Shipping (HRS) (Greece)
- Indian Register of Shipping (IRCLASS)
- Korean Register of Shipping (KR)
- Lloyd's Register of Shipping (LR) (United Kingdom)
- Nippon Kaiji Kyokai (Class NK or NK) (Japan)
- Polish Register of Shipping (PRS)
- Registro Italiano Navale (RINA) (Italy).

* DNV GL Group is the name of the new entity following the merger of DNV and GL.

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See also:
IACS (International Association of Classification Societies Ltd)

CLECAT (european association for forwarding, transport, logistics and customs services)

The prime objective of CLECAT is to strengthen and improve the representation of the transport/logistics sector and customs services industry in Europe. In this respect, the association's core purposes are to:

- to represent its Members vis-à-vis the institutions of the European Union;
- to influence, on behalf of the transport/logistics and customs services sectors, the current and future legislation of the European Union;
- to promote the transport/logistics and customs services sectors to representatives of the European Union as well as to society in general;
- to advise and inform Members about the effects of European Union developments on their sector.

CLECAT has published a Supply-Chain Security Compliance Handbook. The aim of this handbook is to provide freight forwarding companies with a practical guide, to show them which security initiatives they have to be aware of, which of them are mandatory, if they want to legally conduct their business and to show where they can get further information on how to comply with security rules.

CLECAT maintains an on-going dialogue and is regularly consulted by the European Commission and other Community institutions such as the European Parliament and Council on transport policy, logistics and customs issues. Through our sister-organization FIATA, representing freight forwarders and logistic operators world-wide, we are active in numerous international governmental and non-governmental organizations including: OECD, UNECE, the International Transport Forum, WTO and the World Customs Organization. CLECAT is a member of the EU Customs Trade High-Level Dialogue and the technical Customs Trade Contact Group. CLECAT is in liaison with technical committees of the Comité Européen de Normalisation (CEN).

CLECAT voices the interests of its members when EU regulation is reviewed or proposed with the intent to secure a uniform and seamless environment, where cargo can move freely and securely, to the benefit of international trade, with due respect to issues such as security and the environment.

CLECAT regularly liaises with a wide variety of other transport industry representative groups such as: shippers; shipowners, ports, express carriers, intermodal/combined transport operators, airlines and railways.

CLECAT was established in 1958 in Antwerp as 'European Liaison

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Committee of Common Market Forwarders' – also "Comité de Liaison Européen des Commissionaires et Auxiliaires de Transport du Marché Commun" (CLECAT). It is now based in Brussels with a permanent secretariat and offices close to the European institutions.

CLECAT represents the interests of more than 19,000 companies employing in excess of 1,000,000 staff in logistics, freight forwarding and customs services. Multinational, medium and small freight forwarders and Customs agents are all within its membership.

See also:
Forwarding agent

Website:
http://www.clecat.org

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Combined transport, intermodal transport, multimodal transport, through transport, co-modality

Combined transport is often used synonymously with intermodal transport and multimodal transport, although these three expressions can be distinguished. Through transport can also be distinguished from the others. There are two main distinctions: first, the precise modes of transport used and, second, to what extent the provider of the service is deemed to be the carrier. This tends to identify the party responsible for the goods during the voyage.

These types of contract are provided by shipping lines and forwarding agents wishing to offer shippers an inclusive service. In some instances, the provider of the service is an ocean carrier who sub-contracts to other companies for the performance of the inland leg or legs. In other cases, the service is provided by forwarding agents.

Combined transport consists of a voyage involving more than one leg. Although very often made up of an ocean leg and one or more inland legs, it could simply be a voyage with two legs using the same mode, such as two ocean legs. The provider of this type of service, generally a shipping line, is deemed to be the carrier for the entire voyage. Responsibility for the goods rests with the carrier from the time they are received into his care until the time they are delivered at destination. The document evidencing the contract is the **combined transport document** or **combined transport bill of lading**. BIMCO (the Baltic and International Maritime Council) publishes a combined transport bill of lading, **Combiconbill**. BIMCO also publishes a **combined transport sea waybill**, **Combiconwaybill**.

The term **intermodal transport** is used when the voyage includes an inland as well as an ocean leg. This term tends to be used to refer purely to container traffic. Containership operators or liner conferences issue an **intermodal tariff** which sets out ocean freight rates and rail and road rates for the inland parts of the voyage. This type of voyage may be covered by a combined transport contract.

The European Commission, under Directive 92/106/EEC, has aimed to reduce road transport by developing combined transport by encouraging road hauliers to use rail, inland waterway and sea transport. In this respect, the Commission equates combined transport with intermodal transport. The Directive applies to goods whose voyage involves a road leg at the beginning or end combined with a rail, inland waterway or maritime leg, all of which are covered by a single combined transport document. Carriers involved in combined transport under this Directive receive reductions in financial or administrative constraints.

Multimodal transport involves transport by more than one mode normally, but not necessarily, including an ocean leg. Often forwarding agents act as carrier when offering a door to door service and are known as a **multimodal transport operator** or **mto**. As with combined transport, the provider of a multimodal transport contract accepts responsibility for the goods from the time they are received into his care until the time they are delivered at destination. Both BIMCO and the International Federation of Freight Forwarders Associations (FIATA) have published a multimodal transport bill of lading covering this situation. Additionally BIMCO has published a multimodal transport sea waybill.

Through transport is a term applied to any voyage involving an ocean leg and an element of **on-carriage**, that is, the onward transport to an inland destination by another means, such as train, truck or barge. Freight for the move is covered by a **through rate** and a **through bill of lading** is issued, normally by the ocean carrier but occasionally by the **on-carrier**. The bill of lading will have a box not only for the port of discharge but also for the final destination. The name of the on-carrier may be specified as well. Less commonly, there may be a leg of the voyage from a point of origin to the loading port; this is known as **pre-carriage** and is performed by a **pre-carrier**. It is less often arranged by the shipping line than on-carriage because shippers operating in the country of origin of the goods are often able to make the necessary arrangements themselves without difficulty. Depending on the individual contract, the issuer may be responsible for the goods throughout the voyage or only for the ocean leg. Since often the on-carriage is not performed by the ocean carrier, it is important for the shipper or receiver to know the identities of all the parties involved and their contractual responsibilities in the event of loss or damage.

Co-modality is a European Commission concept involving the use of different modes of transport on their own or in combination to optimise the use of particular modes of transport.

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Associated abbreviations:
i/m intermodal
mto multimodal transport operator

Associated definition:
Through bill through bill of lading

Associated term:
To on-carry

See also:
Bill of lading
BIMCO (Baltic and International Maritime Council)
Multimodal transport bill of lading

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Combined transport bill of lading

Combined transport consists of a voyage involving more than one leg. Although very often made up of an ocean leg and one or more inland legs, it could simply be a voyage with two legs using the same mode, such as two ocean legs. The provider of this type of service, generally a shipping line, is deemed to be the carrier for the entire voyage. Responsibility for the goods rests with the carrier from the time they are received into his care until the time they are delivered at destination.

The document evidencing the contract is the **combined transport document** or **combined transport bill of lading**. BIMCO (the Baltic and International Maritime Council) publishes a combined transport bill of lading, codenamed **Combiconbill**. BIMCO also publishes a combined transport sea waybill, codenamed **Combiconwaybill**. Shipping lines may issue their own combined transport bills of lading.

The Combiconbill and Combiconwaybill resemble a liner bill of lading and sea waybill respectively except that, first, the goods are declared by the carrier as merely being received by him. This is because the place of receipt of the goods may well be somewhere other than the ocean vessel. Both the bill of lading and the waybill, as well as representing evidence of the contract of transport, therefore act as a receipt for the goods, when these are received into the care of the carrier. In this respect, they differ from standard liner bills of lading and sea waybills which cover goods received on board the ocean vessel (*although please also see* **Received for shipment bill of lading** *under* **Bill of lading as receipt**).

Second, there is a clause in both documents which provides that the carrier is responsible for the whole voyage but which allows him to sub-contract to other companies for the performance of any of the legs of the voyage.

The bill of lading is a document of title and can be negotiated and endorsed to a third party in the same way as an ocean bill of lading. The appearance of the waybill, as well as the terms and conditions, follow those of the bill of lading, except that the waybill is non-negotiable and cannot be endorsed to a third party. The waybill contains a clause to this effect.

See also:
Bill of lading
Combined transport
Waybill

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Congestion

Congestion is the accumulation of ships at a port to the extent that ships arriving to load or discharge are obliged to wait some days, or, in extreme cases, weeks for a vacant berth so as to load or discharge their cargo. A port is also said to be **congested** when loading or discharging operations are unusually protracted, resulting in considerable delays. There are various reasons for congestion, such as strikes, severe weather or a seasonally high number of cargoes, for example after a harvest when a large number of vessels is required over a relatively short period of time. An example of seasonal weather is monsoon rain which may severely hamper port working and create a queue of ships. Congestion also arises from inefficiencies at the port, for example due to an inability to clear cargo from the quay as fast as ships can discharge.

Liner operators may try to absorb the extra costs arising from delays, notably extra daily running costs or time-charter hire, provided that these delays are short-lived. Indeed, the lines, or liner conferences (where these exist) on behalf of their members, will generally publish a **notice to the trade** warning their customers that congestion has built up in a particular port and that a surcharge will be necessary if the situation does not improve within a certain time. When the delays are prolonged, very often shippers are charged a surcharge, known as a **congestion surcharge**, **port congestion surcharge**, **congestion fee** or **port congestion fee**. There is no one method of calculating this surcharge but it is intended to cover the daily running costs of the ships involved, including any diesel oil needed to run the ships' generators for the period during which they are delayed waiting for a berth. Shipping lines may also need to increase speed at sea to compensate for delays in port in order to maintain their schedule. A surcharge helps to compensate for this. The surcharge is expressed as an amount per freight ton or as a percentage of the freight or, in the case of containers, as an amount per twenty foot equivalent unit.

A shipowner who charters his ship out on voyage charter may build in a provision in the freight for delay in berthing; this is easier for a tramp owner to do than it would be for a shipping line since most frequently the charter

will apply to a single voyage whereas the freight rates of a shipping line are set for a much longer period and are, in any event, not intended to provide for temporary changes in circumstances. A common alternative for the tramp owner is to include a provision for **demurrage**. This is a penalty which cargo interests have to pay for taking longer than the time allowed for loading and/or discharging. In many charter-parties, any delay in reaching the berth, including delay caused by congestion, will count in the calculation of demurrage.

One recent innovation is the virtual arrival concept in which a ship on charter steams at reduced speed to the load or discharge port where there is a known berthing delay. The concept has been developed to avoid situations where vessels proceed at full speed to a congested port only to wait for a berth, possibly on demurrage. By slow steaming, there is a reduction in fuel emissions and consumption with a consequent financial saving. The virtual arrival time and date are calculated notionally for the purposes of the charter-party based on the vessel proceeding at full speed. Savings made are shared between the owner and charterer.

In the same way as demurrage is often built in to contracts for movement by barge, a congestion surcharge may also be imposed on barge shippers when congestion, for example at a transhipment port, becomes a cause of serious delays to barges.

Since congestion incurs extra costs to cargo interests and ship operators, pressure is often put on port authorities by these port users to find solutions to the problem. This includes bringing in bigger or more efficient cargo-handling and lifting equipment, speeding up the flow of documentation on which the movement of goods depends, or bringing in additional labour.

Associated abbreviations:
cs congestion surcharge
pcf port congestion fee
pcs port congestion surcharge
teu twenty-foot equivalent unit

Associated definition:
dwell time the amount of time a container spends in a port or terminal

See also:
Liner surcharges

Consignment

A **consignment** consists of goods which are placed in the care of a carrier for delivery to a person or company, termed the **consignee**. Normally, the consignee is the importer of the goods or his agent. The person who places the

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goods in the care of the carrier is known as the **consignor**. This may be the exporter of the goods or his agent.

A **consignment note** is a document, prepared by the shipper, which contains details of the consignment to be carried by road or rail to its destination. It is signed by the carrier as proof of receipt into his care. Carriers are able to publish their own form of consignment note.

CIM Rail Consignment Note This document is used for international rail freight movements. It is completed by the consignor. It is not negotiable and is not a document title. *See* Figure 5.

CMR International Consignment Note or **CMR Road Consignment Note** This fulfils the same function as the CIM Consignment Note except that the CMR Note is used for international road transport. *See* Figure 6.

In international trade, consignment means shipping goods to a dealer or distributor for which payment is made only when the goods are sold. The goods are normally returned if they remain unsold.

Associated definitions:

Consignment Act of placing goods in the care of a carrier for delivery to the consignee

To consign To address a consignment to (a person or company)

Associated illustrations:

Figure 5 CMR International Consignment Note

Figure 6 CIM Rail Consignment Note

Container ancillary charges

Containers are large boxes designed to enable goods to be sent from door to door without the contents being handled. There are several standard sizes used worldwide such that the same container can be transferred from one mode of transport to other modes in the course of a single voyage. Indeed, specially designed road and rail vehicles and special ships and barges are frequently used to carry containers.

The most common sizes of containers are the **twenty-footer**, which measures about 20 feet (6.1 metres) long by 8 feet (2.4 metres) wide by 8 feet 6 inches (2.6 metres) high and the **forty-footer**, measuring about 40 feet (12.2 metres) long and having the same width and height as the twenty-footer.

Typically made of steel, there are containers of several types whose use depends principally on the nature of the cargo, for example dry bulk, liquid or perishable cargoes. The most common type is the **general purpose container**, also known as the **dry freight container**. This is used mainly for general merchandise. It is typically made from steel, is fully enclosed and is loaded and discharged through a set of full height rear doors. The floor is

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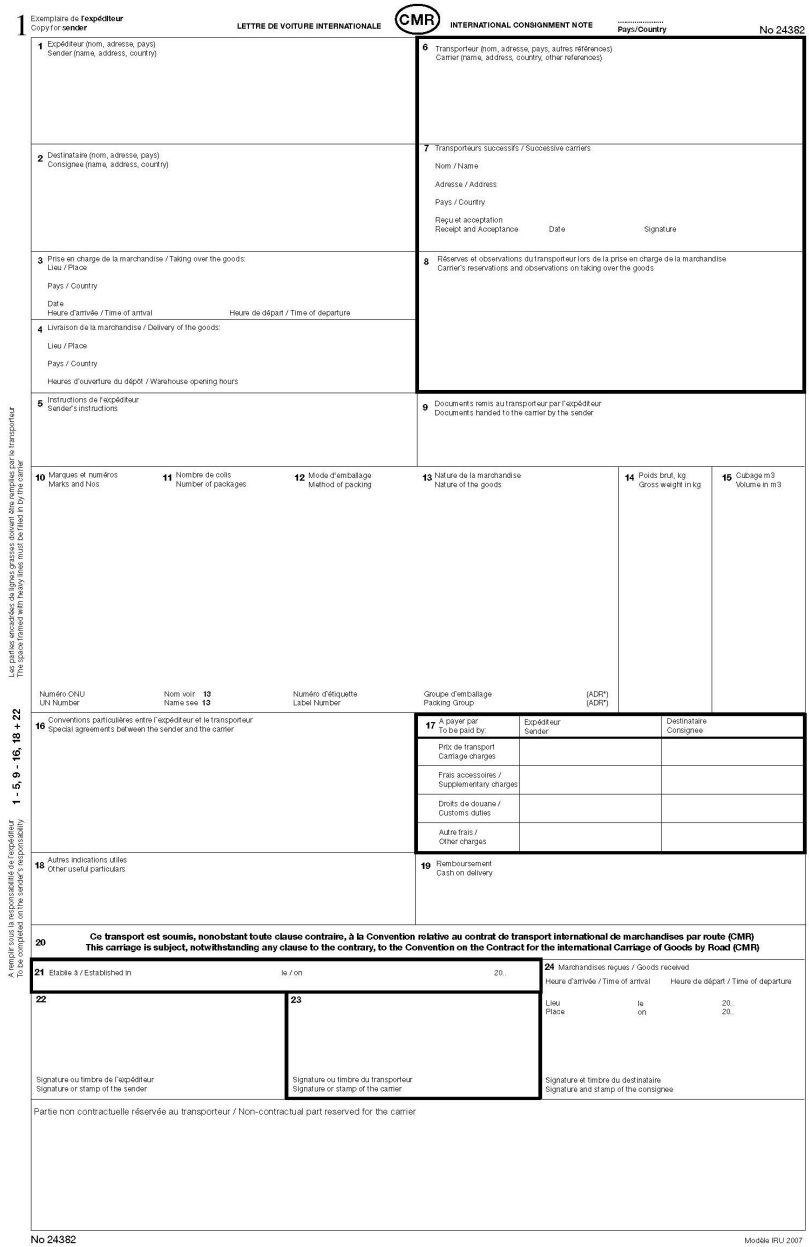
Container ancillary charges



1 Exemplaire de l'expéditeur
Copy for sender

LETTRE DE VOITURE INTERNATIONALE — CMR — INTERNATIONAL CONSIGNMENT NOTE

Pays/Country .....

No 24382

1 Expéditeur (nom, adresse, pays)
Sender (name, address, country)

6 Transporteur (nom, adresse, pays, autres références)
Carrier (name, address, country, other references)

2 Destinataire (nom, adresse, pays)
Consignee (name, address, country)

7 Transporteurs successifs / Successive carriers
Nom / Name
Adresse / Address
Pays / Country
Reçu et acceptation
Receipt and Acceptance — Date — Signature

3 Prise en charge de la marchandise / Taking over the goods:
Lieu / Place
Pays / Country
Date
Heure d'arrivée / Time of arrival — Heure de départ / Time of departure

8 Réserves et observations du transporteur lors de la prise en charge de la marchandise
Carrier's reservations and observations on taking over the goods

4 Livraison de la marchandise / Delivery of the goods:
Lieu / Place
Pays / Country
Heures d'ouverture du dépôt / Warehouse opening hours

5 Instructions de l'expéditeur
Sender's instructions

9 Documents remis au transporteur par l'expéditeur
Documents handed to the carrier by the sender

Les parties encadrées de lignes grasses doivent être remplies par le transporteur
This space framed with heavy lines must be filled in by the carrier

10 Marques et numéros Marks and Nos	11 Nombre de colis Number of packages	12 Mode d'emballage Method of packing	13 Nature de la marchandise Nature of the goods	14 Poids brut, kg Gross weight in kg	15 Cubage m3 Volume in m3
Numéro ONU UN Number	Nom voir 13 Name see 13	Numéro d'étiquette Label Number	Groupe d'emballage Packing Group (ADR*) (ADR*)		

16 Conventions particulières entre l'expéditeur et le transporteur
Special agreements between the sender and the carrier

17 A payer par To be paid by:	Expéditeur Sender	Destinataire Consignee
Prix de transport Carriage charges		
Frais accessoires / Supplementary charges		
Droits de douane / Customs duties		
Autre frais / Other charges		

18 Autres indications utiles
Other useful particulars

19 Remboursement
Cash on delivery

A remplir sous la responsabilité de l'expéditeur
To be completed on the sender's responsibility

1 - 5, 9 - 16, 18 + 22

20 **Ce transport est soumis, nonobstant toute clause contraire, à la Convention relative au contrat de transport international de marchandises par route (CMR)**
This carriage is subject, notwithstanding any clause to the contrary, to the Convention on the Contract for the International Carriage of Goods by Road (CMR)

21 Etablie à / Established in — le / on — 20..

24 Marchandises reçues / Goods received
Heure d'arrivée / Time of arrival — Heure de départ / Time of departure
Lieu / Place — le / on — 20.. 20..

22 Signature ou timbre de l'expéditeur
Signature or stamp of the sender

23 Signature ou timbre du transporteur
Signature or stamp of the carrier

Signature et timbre du destinataire
Signature and stamp of the consignee

Partie non contractuelle réservée au transporteur / Non-contractual part reserved for the carrier

No 24382 — Modèle IRU 2007

(ADR) - Etiquettes de marchandises dangereuses indiquer le numéro du groupe d'emballage / Dangerous goods labels indicate the packing group number

- Marchandises de classes 1 et / ou groupes exclus par l'ADR, Numéro d'étiquette et Groupe d'emballage
Goods of classes 1 and / or groups excluded from ADR, Label number and Packing group

Figure 5: CMR International Consignment Note

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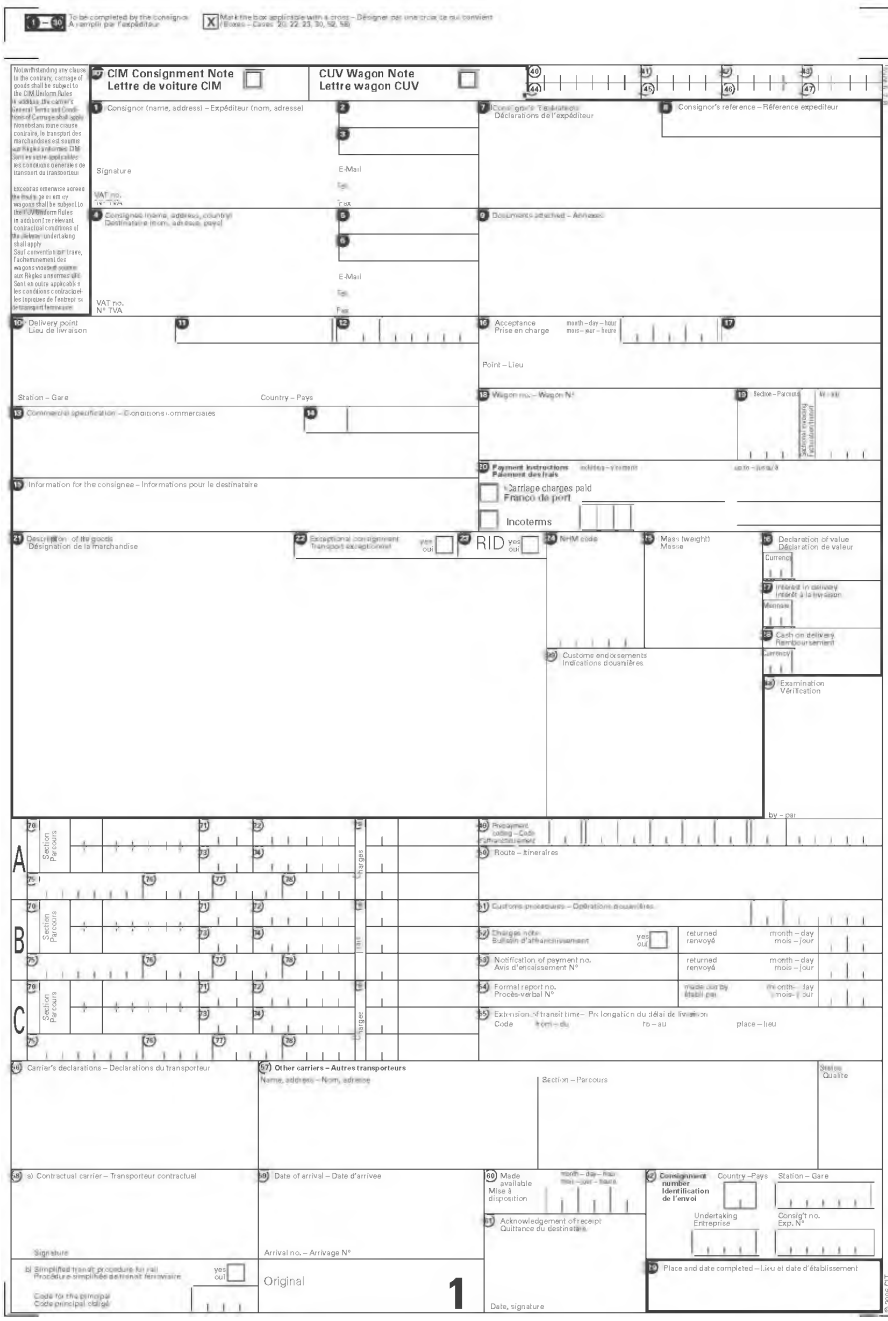

***Figure 6*: CIM Rail Consignment Note**

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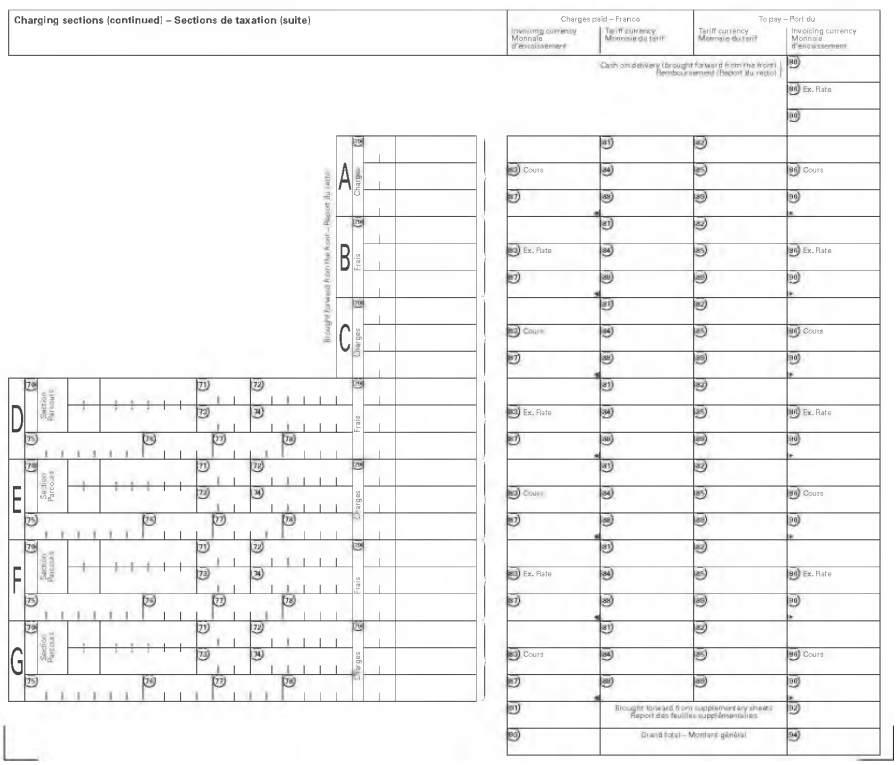

Figure 6: CIM Rail Consignment Note

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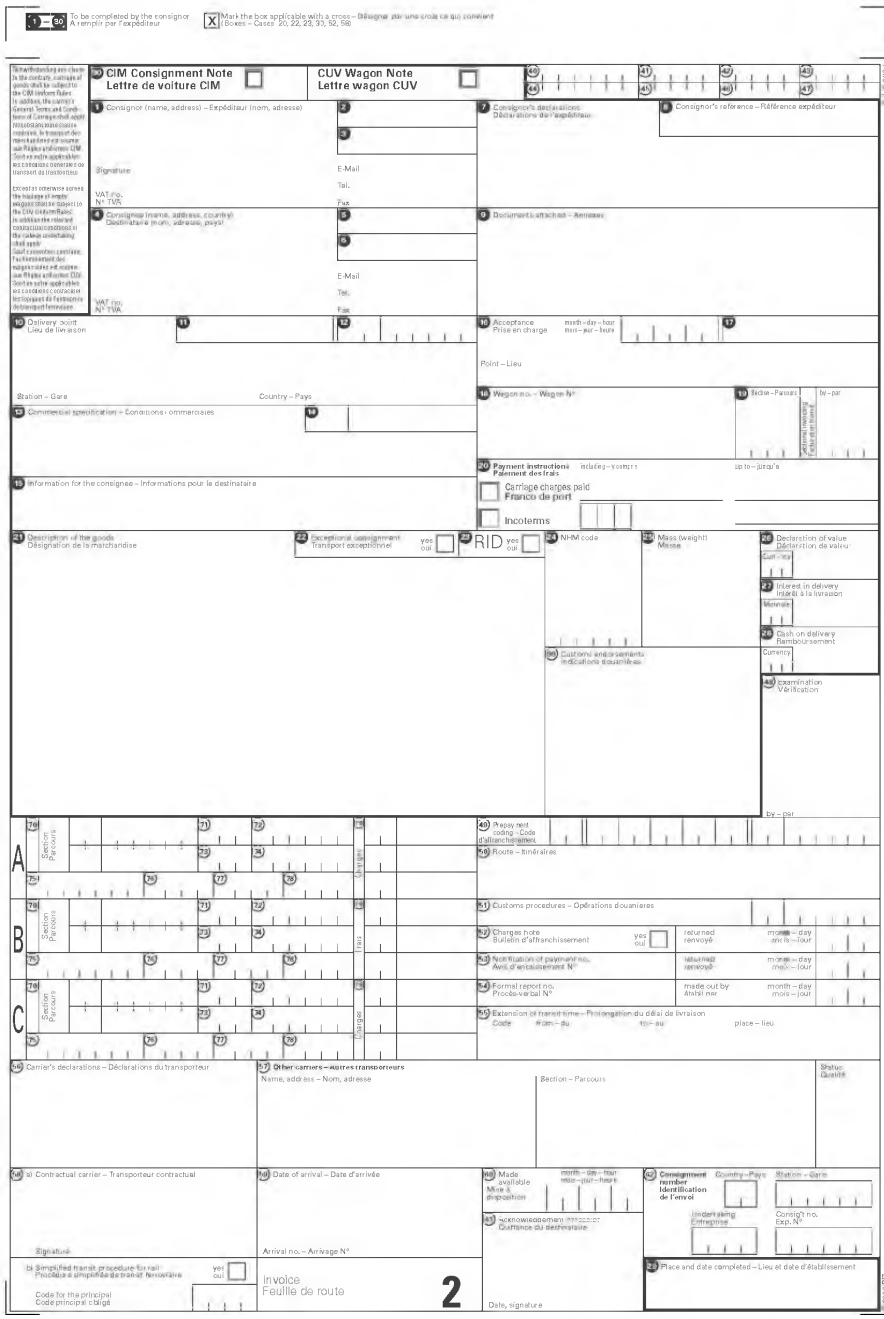

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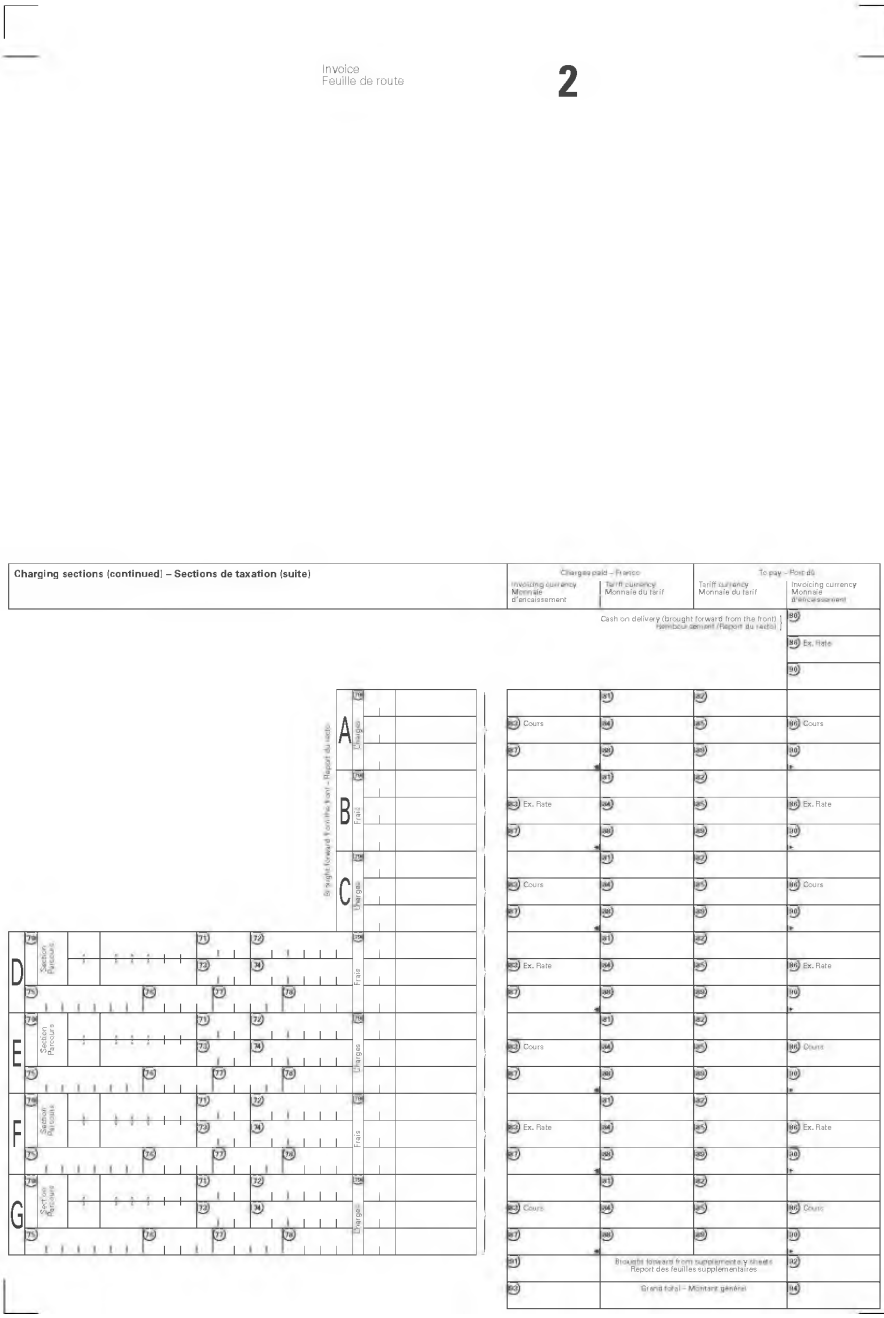

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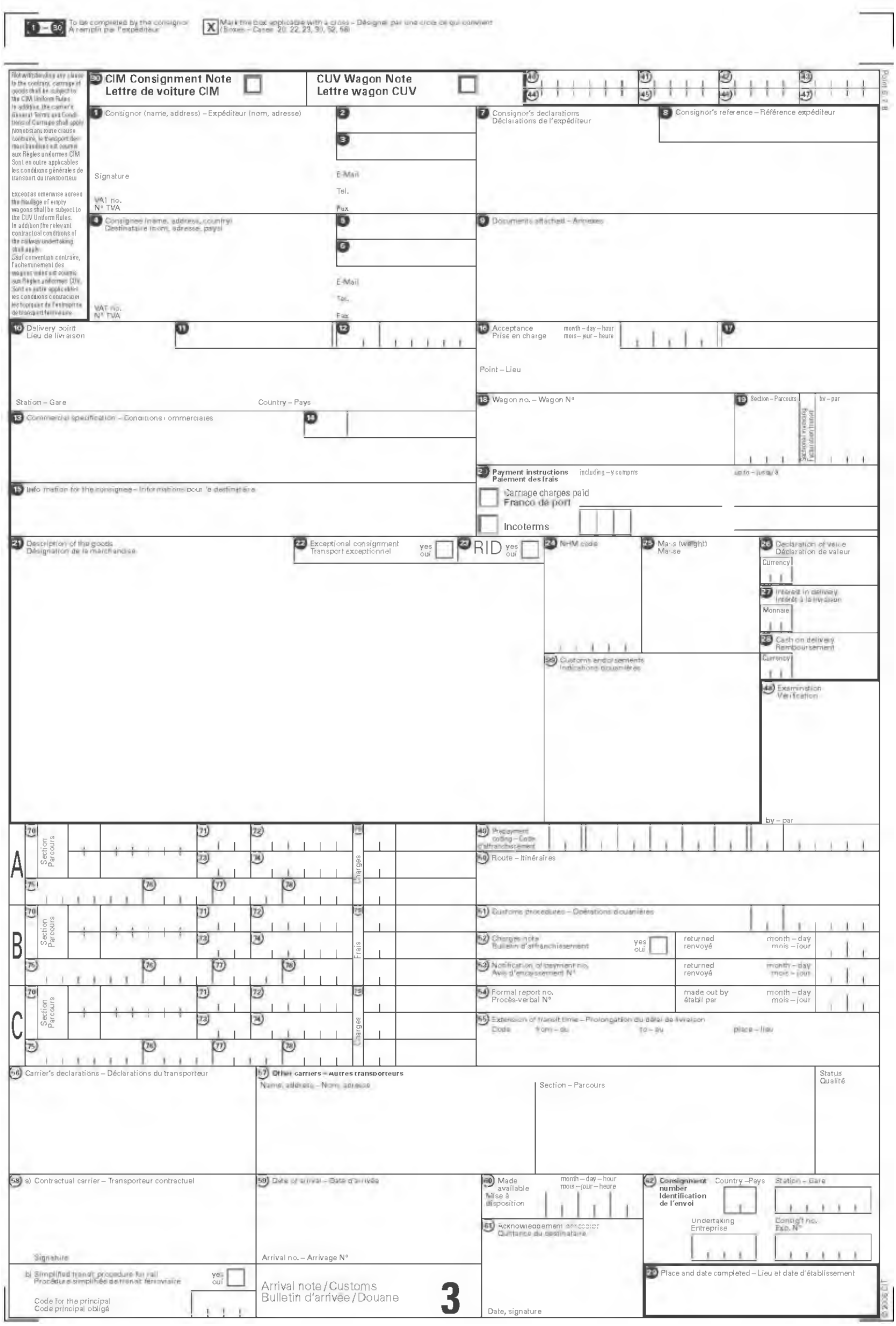

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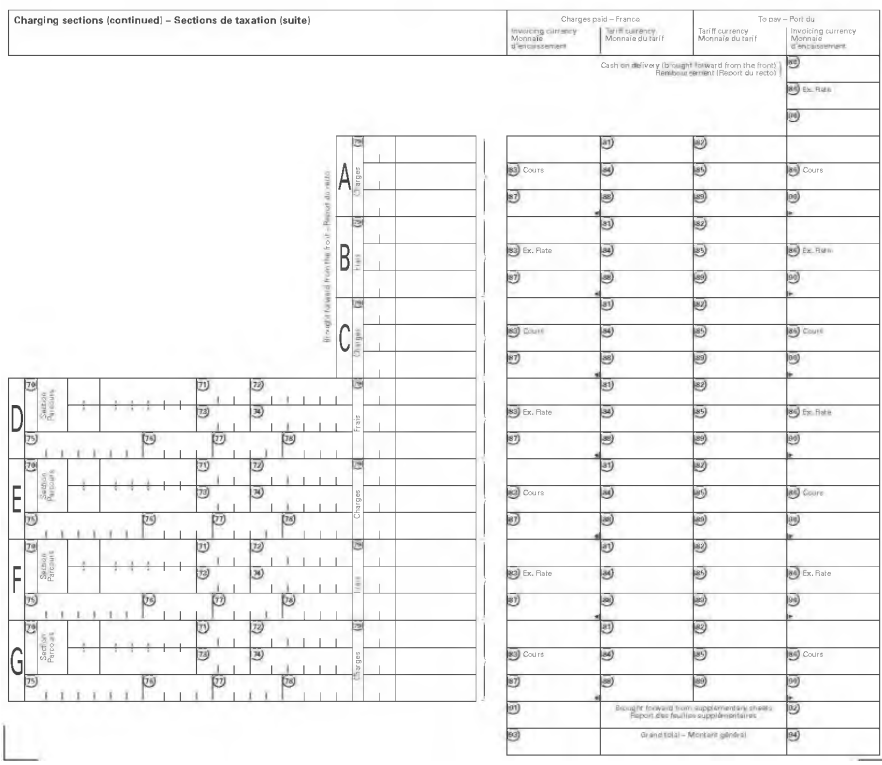

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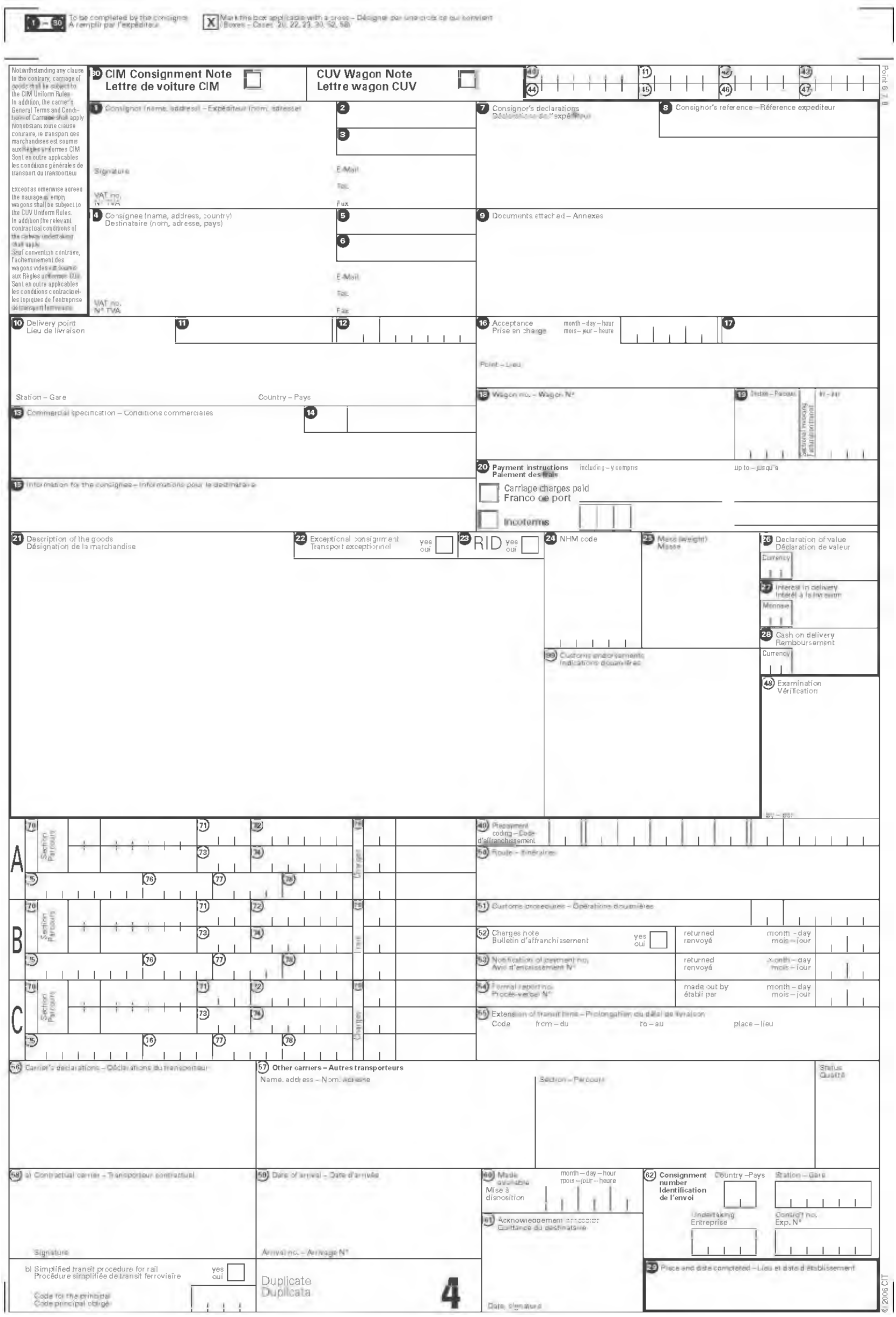

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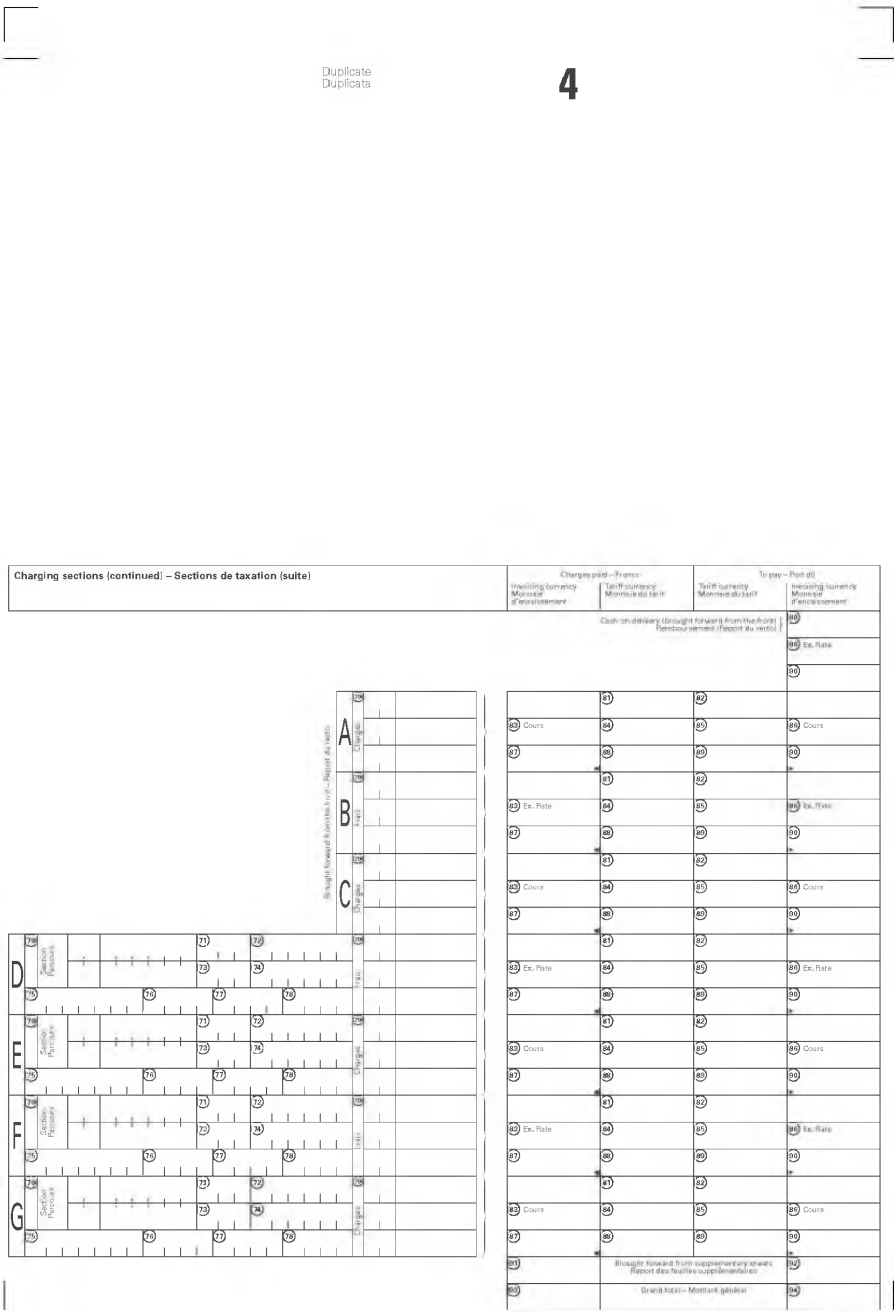

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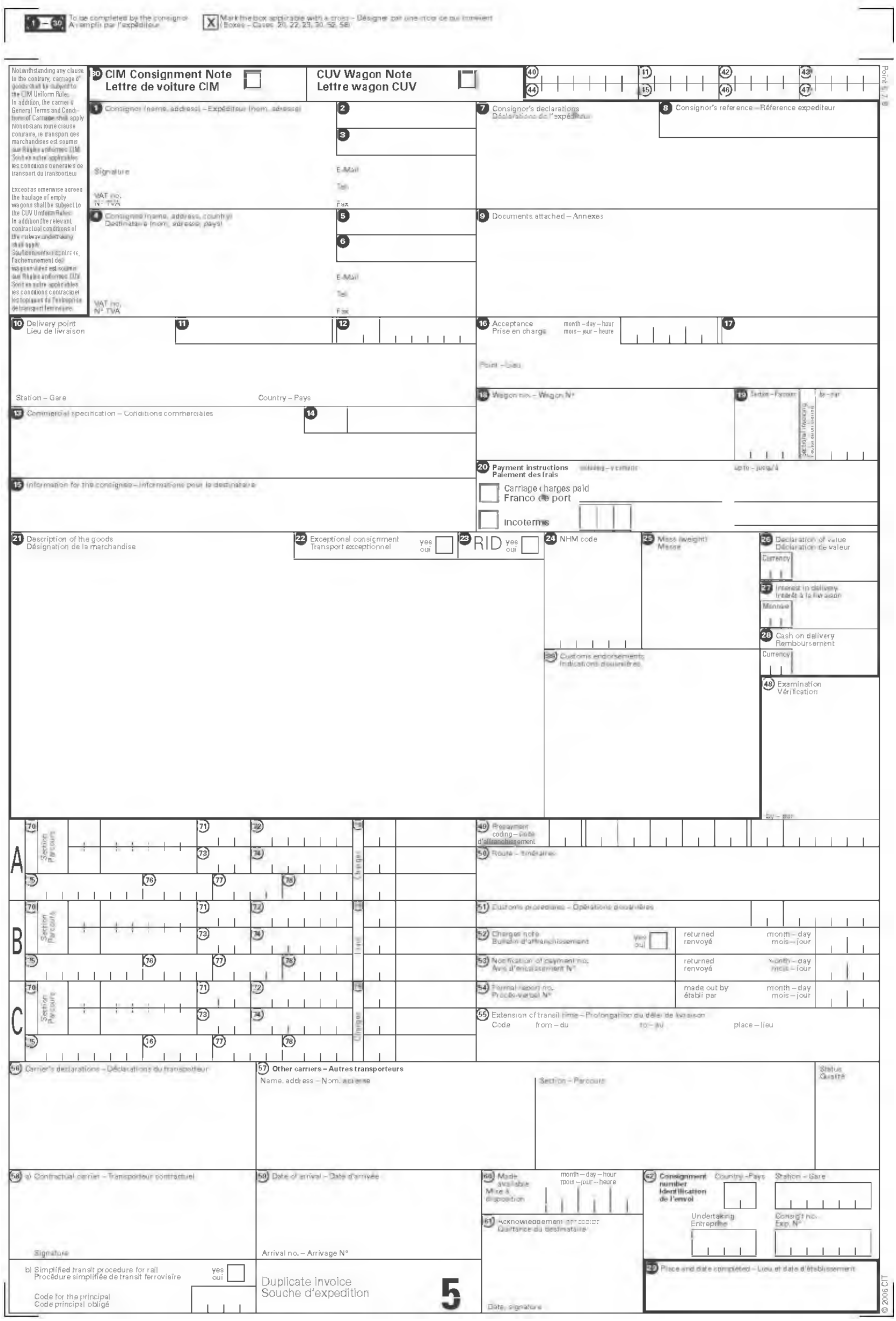

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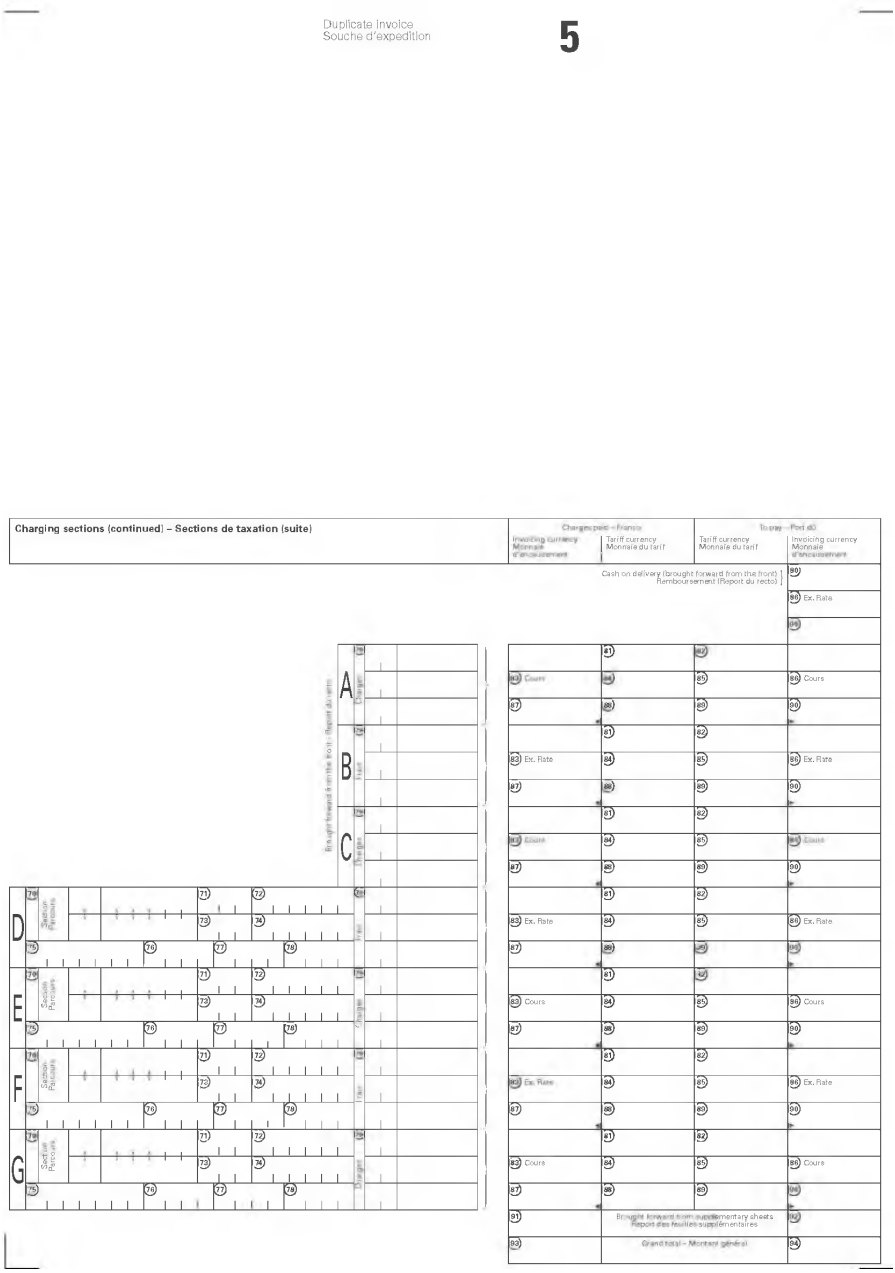

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covered with timber planking or plywood sheeting and cargo is secured to lashing points normally along the sides at floor level.

Some shipping lines and liner conferences make an extra charge for providing containers which are not the usual 20-foot or 40-foot general purpose containers. This surcharge is variously known as a **special equipment surcharge, special equipment premium** or **special container additional**. The reason for the extra charge is the extra investment needed for non-standard equipment. The surcharge or premium is a lump sum per container and is normally subject to any surcharges, such as the currency adjustment factor, levied as a percentage of the freight. Shipping lines do not always levy a surcharge for special equipment (*see* **Containers and container types**).

The majority of containers in use are owned by the shipping lines or are leased from container leasing companies, with fees paid on the basis of a **per diem** (daily) rate. In some cases, shippers use their own containers, termed **shipper's own** containers or **shipper's owned** containers.

Every container has a **data plate** attached to it, specifying the tare and the gross weight. Container capacity in ships or terminals is measured in **teu's** (twenty-foot equivalent units). Each container occupies a **cell** or **slot** in a containership.

Containerisation has brought with it problems for some shippers, particularly when a complete trade has become containerised, that is to say that there are no more of the traditional conventional ships. Containers have, without doubt, been of benefit to most commodities in terms of minimising handling and security from pilferage but there are commodities which cannot physically be accommodated in even the biggest container. These are the so-called **uncontainerable** (sometimes shortened to **uncon**) cargoes. An example might be a railway locomotive. At the carrier's discretion, such a cargo may be carried on a containership conventionally. Freighting is normally achieved by the line applying the LCL rate and charging the heavy lift charge and long length additional if these are applicable.

Out of gauge cargo is a cargo on a containership which exceeds the dimensions of the container. A long length cargo might overhang a flatrack, for example, and so occupy more space than was intended for the flatrack. Lines generally charge according to the overall measurement of the cargo, provided that the resulting figure is not less than any container rate which may be applicable. Alternatively, they may consider the number of slots lost by virtue of taking this cargo and charge accordingly. The line may also specify that any extra costs associated with handling out of gauge cargo will be charged to the merchant.

Some shipping lines charge a **heavy lift charge** for containers weighing over a certain weight often to reflect the loss of capacity when carrying a number of these.

Terminal handling charges, also known as **terminals**, are the equivalent of the fob charges levied on breakbulk cargoes, for export cargoes in full container loads. This charge is levied by the shipping line who in turn remits it to the terminal operator. It covers:

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- receiving the container into the terminal;
- movement to any stacking area;
- storage pending arrival of the ship; and
- delivery from the stacking area to the ship.

Terminal handling charges are also payable at the terminal in the country of import. They cover:

- receiving the container from the ship to the terminal;
- movement within the terminal to any stacking area;
- storage pending haulage being arranged; and
- delivery at the terminal to the haulier.

Terminal handling charges are normally quoted and payable in local currency as a lump sum per container. Less frequently, they are expressed as an amount per tonne, in which case there may be a minimum and a maximum lump sum. They do not attract any of the surcharges applicable to the freight.

It is not necessary to fill a container to capacity in order to be able to make use of this method of shipment. For those shippers who use consolidation or groupage services, a separate charge, the **lcl service charge**, is payable to the carrier. This is for:

- receiving and handling goods for export at the container freight station;
- storage pending delivery to the ship; and
- loading into the container (along with goods from other shippers to the same destination).

As with the terminal handling charge, the lcl service charge applies to the reverse operation for import cargo:

- receiving and handling at the container freight station goods brought from the importing ship; and
- storage pending delivery to the merchant.

For both imports and exports, the merchant is given a certain amount of free storage time at the container freight station before having to pay additional charges. The lcl service charge is normally quoted and payable in local currency and may be per metric ton or on a weight/measure basis, that is per metric ton or cubic metre whichever produces the greatest amount.

A **lift-on lift-off charge** originally applied in situations where the shipping line arranged loading or unloading of the shipper's own haulage. Now this charge also applies in certain trades to the charge for loading and unloading carrier haulage.

A **delivered in charge** applies in some trades for taking containers away from the port terminal to an inland depot, for example, Manchester cfs for clearance.

At the beginning of the era of containerisation, commodities were rated as they had always been, that is per freight ton. In this respect, all shippers were

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treated alike. Shipping lines were quick to see the operational advantages of a container being filled to capacity by just one shipper but shippers needed to be given an incentive. So they were offered an **fcl (full container load) allowance** of an amount per freight ton if they achieved a minimum quantity in the container. This amount was deducted from the freight rate. More recently, most conferences and container lines have switched to box rates (rates per container) so that the quantity actually shipped in the container does not affect the amount payable. Under this arrangement the fcl allowance does not apply.

Associated abbreviations:
cfs container freight station
dic delivered in charge
fcl full container load
feu forty-foot equivalent unit
fob free on board
fob's free on board charges
gp (container) or **gp (box)** general purpose (container)
lcl less than container load
pd per day or per diem
teu twenty-foot equivalent unit
thc terminal handling charges

Associated definitions:
box widely used to denote container
to destuff to unload (a container)
to strip to unload (a container)
to stuff to load (a container)

See also:
Breakbulk liner ancillary charges
Container freight
Liner ancillary charges
Liner surcharges

Container freight

Full container load (fcl)

As its name suggests, the full container load is a consignment which fills a container to capacity, either by weight or volume. It is from one shipper to one destination. The shipper is responsible for packing, or as it is known, **stuffing** the container and the consignee for unpacking **(destuffing**, **stripping** or **devanning)**. Responsibility and costs are shared as follows:

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- packing (stuffing) of the container – this is arranged and paid for by the shipper;
- haulage to the container terminal at the port of loading – may be arranged and paid for by the shipper. This is known as **merchant haulage**. In some trades, shippers who arrange their haulage pay a **handover charge** when delivering to the terminal. Alternatively, haulage may be arranged by the shipping line (known as **carrier haulage)**. The shipper pays a rate for this element in accordance with the line's haulage tariff;
- **terminal handling charge** (at the port of loading) – the charge for moving the container around the port and loading onto the ocean vessel. This is paid separately to the freight by the shipper;
- ocean carriage – paid for by the shipper in the form of freight;
- terminal handling charge (at the discharging port) – the charge for off-loading and positioning of the container in readiness for the overland movement. This is paid as a separate charge by the merchant, often the consignee;
- haulage to destination – again paid by the merchant;
- unpacking of the container – arranged and paid for by the merchant.

When a shipping line quotes a full container load rate, it may specify that the rate applies only when the goods are shipped in the line's standard 20-foot general purpose containers. If so-called specialist equipment, such as open top or half height containers are required, the rate might be subject to an additional charge.

The movement is sometimes designated **fcl/fcl** to show that the merchant is responsible for both packing and unpacking.

Less than container load (lcl)

It is not necessary for a shipper to have sufficient cargo to fill a container before being able to make use of this method of shipment. This is the sequence of events when a small quantity of goods are shipped in this way:

- the shipper arranges and pays for the goods to be sent to an **inland container depot** or **container freight station**;
- the goods are then grouped together with other small consignments for the same destination and all packed into one container. This is known as **groupage** or **consolidation**. An **lcl service charge** is levied for the handling, and sometimes storage, of the cargo at the container freight station;
- haulage of the container to the port is charged at a separate rate depending on the location of the inland container depot;
- ocean carriage – as with full container load consignments, this is paid for by the shipper in the form of freight;
- at the country of destination, the goods are delivered by the carrier to a container freight station where the merchant pays a less than container load service charge for the handling and, if necessary, storage prior to arranging for the goods to be despatched to their final destination.

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Variations

As with conventional cargoes, there are variations in the way container shipments can be effected. An **fcl/lcl** shipment requires the merchant to pack the container while leaving the shipping line to perform the unpacking. Conversely, an **lcl/fcl** shipment is packed into the container by the shipping line and unpacked by the merchant.

As well as variations in the responsibilities for packing and unpacking, there is a wide selection of options available to the shipper when it comes to the points where the carrier collects and delivers the cargo. These include:

- **quay to quay** – also described as **port to port** or **terminal to terminal**, this covers the ocean freight alone. If a comparison were to be drawn with conventional (breakbulk) shipments, the quay to quay rate is closer to the liner terms rate than to any other;
- **door to door** – this is, as the name suggests, a service whereby the goods are collected from the shipper's or exporter's premises and delivered to the consignee's premises (also called **house to house)**; and
- **quay to door** and **door to quay** are further possibilities which may be used depending on the needs of cargo interests.

Freight all kinds

The amount of the freight rate usually varies according to the particular class in which a commodity is included. Sometimes, however, a carrier will quote a single rate irrespective of the commodity, hence the designation **freight all kinds**, almost always abbreviated to **fak**. Fak rates tend to be offered in trades where there is competition between lines and are usually pitched somewhere in the middle of the range of rates available from other carriers in the hope of attracting shippers of all types of commodities. Often, though, they succeed in attracting the higher value cargoes for which higher freight rates are charged by other lines.

Container shipments

Prior to containerisation, liner cargoes were normally freighted on a weight ton or measurement ton basis and this is largely how breakbulk (and lcl) shipments continue to be freighted. With full container loads, however, the tendency is for lines to charge a rate per container, known widely as a **box rate**, leaving it to the shipper to load as much as he wants or can within the container. The basic box rate applies to 20-foot general purpose containers. For 40-foot containers, lines either charge a different (higher) rate or apply a formula to the 20-foot rate according to the weight/measurement ratio of the cargo. In some cases, the rate for a 40-foot container is simply double that of the 20-foot container. There is sometimes an extra charge for special containers such as insulated containers or flatracks and this again is charged as amount per container. Box rates are generally base rates and as such are

subject to any surcharges in force, such as the currency adjustment factor or bunker surcharge.

All-in rate

There are occasions when freight rates are not subject to extra charges, when circumstances on a particular trade route dictate that rates should be all inclusive. Such rates are termed all-in rates. Much less frequently, if at all, there may be no extra charges in force at a given moment.

Ad valorem freight

There are two instances where some or all of the freight is calculated according to the value of the goods, or, as it is referred to, **ad valorem**.

Some tariffs call for certain commodities to be rated according to their value rather than simply being put into tariff classes. This may be because a particular commodity may have variations of finish or content which result in a range of goods with widely varying values. In such cases, the tariff may contain a range of ad valorem rates for a commodity which increase as the fob value increases.

Sometimes, the maximum liability of a shipping line for loss or damage is insufficient for a shipper, particularly in the case of higher value goods. The shipper may be given an option of a higher limit of liability in exchange for his paying an extra sum or ad valorem charge on top of the freight. This charge varies from shipping line to shipping line but is generally between 1 and 3 per cent of the value of the goods. In both cases, the line will require some evidence of the value of the goods, such as consular invoice.

Associated abbreviations:
fak freight all kinds
fcl full container load
icd inland container depot
lcl less than container load
thc terminal handling charge

See also:
Containers ancillary charges

Containers and container types

Containers are large boxes designed to enable goods to be sent from door to door without the contents being handled. There are several standard sizes used worldwide such that the same container can be transferred from one mode of transport to other modes in the course of a single voyage. Indeed, specially designed road and rail vehicles and special ships and barges are frequently used to carry containers.

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The most common sizes of containers are the **twenty-footer**, which measures about 20 feet (6.1 metres) long by 8 feet (2.4 metres) wide by 8 feet 6 inches (2.6 metres) high and the **forty-footer**, measuring about 40 feet (12.2 metres) long and having the same width and height as the twenty-footer.

Typically made of steel, there are containers of several types whose use depends principally on the nature of the cargo, for example dry bulk, liquid or perishable cargoes. The most common type is the **general purpose container**, also known as the **dry freight container**. This is used mainly for general merchandise. It is typically made from steel, is fully enclosed and is loaded and discharged through a set of full height rear doors. The floor is covered with timber planking or plywood sheeting and cargo is secured to lashing points normally along the sides at floor level.

There are a number of non-standard containers which are listed below. Shipping lines may request an extra charge for supplying these (*see* **Liner ancillary charges**):

- **bulk container** or **dry bulk container** – specially designed for free-flowing bulk cargoes such as grain or sugar which is loaded through hatchways in the top and emptied through hatchways at one end by tipping the container.
- **bulk discharge open top container** – shipping container resembling a full height open top container, having no roof but instead having an open top to enable cargo to be loaded from the top rather than through end doors. The bulk discharge open top container has a full width discharge hatch at the front to enable bulk cargoes to be discharged by tipping the container.
- **cellular palletwide container** – shipping container designed to carry an optimum number of europallets *qv*. To achieve this, it is 2.50 metres wide, wider than standard containers which are 2.44 metres wide. To allow it to be accommodated in the cells of cellular containerships, its corners are modified, effectively cut away at the very corners to reduce the width.
- **flatrack** (also known as a **flat)** – an open flat bed onto which cargoes of awkward shape, such as large heavy pieces of machinery, can be placed.
- **half-height container** – known also as a **half-height**, this has standard dimensions except for the height. It is used for dense cargoes which take up little space in relation to their weight, such as scrap metal, steel bars or pipes and stone. Often these containers also have an open top so that the cargo can be loaded from the top. The half height is also suitable for loading and discharging in premises with insufficient height to take a full height container. Two half heights occupy one cell in a containership. As with the full height open top, the half height is covered by a waterproof tarpaulin.
- **high cube cellular palletwide container** – cellular palletwide container which has a higher cubic capacity than the standard size and thus can carry a greater volume of cargo. The extra capacity is achieved

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by increasing the height or, in some cases, the internal width of the container.

- **high cube reefer** – a variation on the refrigerated container which has a higher cubic capacity than the standard size reefer and can thus carry a greater volume of cargo. The extra capacity is achieved either by increasing the height of the container or by designing it so that the space taken by the clip-on diesel generator is over and above the standard dimensions of the container.
- **insulated container** – this container is lined, normally with plywood, so as to minimise the effects of changes in temperature on the cargo and to reduce condensation. It is suitable for perishable goods and other cargoes which require protection from temperature changes without the necessity of refrigeration. The inside dimensions are less than those of a general purpose container because of the lining. In trades where there is an imbalance in one direction of cargo requiring insulated containers, these may be used on the return leg to carry clean general merchandise.
- **open top container** – this has an open top covered by a waterproof tarpaulin instead of the solid roof found on general purpose containers. This is to enable cargoes to be carried in containers – and hence on containerships – which cannot easily, or at all, be loaded through end doors and need to be loaded from the top. Cargoes which are too high for general purpose containers can also be shipped in open tops. These containers normally have end doors to give flexibility to loading and discharging operations.
- **porthole container** or **porthole type container** – this type of insulated container has two apertures, known as portholes, through which air of the correct temperature for the cargo is delivered from (and returned to) a terminal's refrigeration unit or a clip-on unit.
- **produce carrier** – this is a container with an open side to give unrestricted access for loading and discharging. The side of the container has removable steel grilles or gates and may have drop down doors covering the lower part. This type of container has two uses: for ventilation when carrying certain perishable goods and for loading and discharging at premises where side access is preferred, such as where cargo operations are carried out in a railway siding. The produce carrier is also known as an **open sided container** or **open side container**.
- **refrigerated container** – this is an insulated container used for the carriage of goods requiring refrigeration in transit, such as fruit, vegetables, dairy products and meat. It is fitted with a refrigeration unit which is connected to the carrying ship's electrical power supply. While the container is on the road, it can be fitted with a demountable generator. The refrigerated container is also known as a **reefer container, reefer box** or simply **reefer**.

Containers may be owned by the carrier, or leased to the carrier, or owned by the shipper.

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Associated abbreviations:
cfs container freight station
cpc cellular palletwide container
fcl full container load
feu forty-foot equivalent unit
gp (container) or **gp (box)** general purpose (container)
lcl less than container load
pd per day or per diem
teu twenty-foot equivalent unit

Associated definitions:
box widely used to denote container
freight container or **shipping container** alternatives for container
ISO container container complying with all the standards of ISO (International Organization for Standardization) at the time of its manufacture
to destuff to unload (a container)
to strip to unload (a container)
to stuff to load (a container)

See also:
Container ancillary charges
Container freight

Contract of affreightment

In its general sense, a contract of affreightment is any contract for the hire of a ship. However, it has a specialised meaning, that is, a contract for a series of voyages involving bulk cargoes.

BIMCO publishes two forms to cover this type of contract: a Standard Volume Contract of Affreightment for the Transportation of Bulk Dry Cargoes, codenamed **Gencoa** and a Tanker Contract of Affreightment, codenamed **Intercoa 80**, this latter being issued by INTERTANKO, the International Association of Independent Tanker Owners.

In both cases, the object of the form is to identify all the elements applicable to a series of voyages. Principal ones are:

- period of the contract;
- load and discharge ports;
- total quantity of cargo;
- quantity per shipment, normally qualified by minimum and maximum quantities in the owner's option;
- a programme of shipments, if one has been calculated;
- a list of the performing vessels; and

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- contingencies for charterers' failure to accept a vessel and owners' failure to nominate a vessel for a specific voyage.

Intercoa 80 requires details of:

- the maximum number of grades of cargo;
- the specific gravity;
- heating coils; and
- pumping capacity.

In both cases, the form is used in conjunction with a (separate) voyage charter-party which contains the terms relating to the total contract, rather than to individual shipments. In the case of Intercoa 80, the **Intertankvoy 76** charter-party is incorporated into the contract as a standard condition.

Associated abbreviation:
BIMCO Baltic and International Maritime Council
coa contract of affreightment

Convention on Limitation of Liability for Maritime Claims (LLMC)

Adoption by IMO: 19 November 1976; Entry into force: 1 December 1986; Protocol of 1996: Adoption: 2 May 1996; Entry into force: 13 May 2004.

This IMO Convention replaced the International Convention Relating to the Limitation of the Liability of Owners of Seagoing Ships, which was signed in Brussels in 1957, and came into force in 1968.

Under the 1976 Convention, the limit of liability for claims covered is raised considerably, in some cases up to 250–300 per cent. Limits are specified for two types of claims – claims for loss of life or personal injury, and property claims (such as damage to other ships, property or harbour works).

The limits under the 1976 Convention were set at 333,000 SDR for personal claims for ships not exceeding 500 tons plus an additional amount based on tonnage. For other claims, the limit of liability was fixed under the 1976 Convention at 167,000 SDR plus additional amounts based on tonnage on ships exceeding 500 tons.

The Convention provides for a virtually unbreakable system of limiting liability. Shipowners and salvors may limit their liability, except if "it is proved that the loss resulted from his personal act or omission, committed with the intent to cause such a loss, or recklessly and with knowledge that such loss would probably result".

Protocol of 1996

Adoption: 2 May 1996; Entry into force: 13 May 2004

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Under the Protocol, the amount of compensation payable in the event of an incident being substantially increased and also introduces a "tacit acceptance" procedure for updating these amounts.

The limit of liability for claims for loss of life or personal injury on ships not exceeding 2,000 gross tonnage is 2 million SDR.

For larger ships, the following additional amounts are used in calculating the limitation amount:

- For each ton from 2,001 to 30,000 tons, 800 SDR
- For each ton from 30,001 to 70,000 tons, 600 SDR
- For each ton in excess of 70,000, 400 SDR (US$634).

The limit of liability for property claims for ships not exceeding 2,000 gross tonnage is 1 million SDR.

For larger ships, the following additional amounts are used in calculating the limitation amount:

- For each ton from 2,001 to 30,000 tons, 400 SDR
- For each ton from 30,001 to 70,000 tons, 300 SDR
- For each ton in excess of 70,000, 200 SDR.

Amendments to 1996 Protocol

Adoption: 19 April 2012; Entry into force: 8 June 2015

The new limits are expected to enter into force 36 months from the date of notification of the adoption, so in 2015, under the tacit acceptance procedure.

New limits

Under the amendments to the 1996 Protocol, the limits are raised as follows.

The limit of liability for claims for loss of life or personal injury on ships not exceeding 2,000 gross tonnage is 3.02 million SDR (up from 2 million SDR).

For larger ships, the following additional amounts are used in calculating the limitation amount:

- For each ton from 2,001 to 30,000 tons, 1,208 SDR (up from 800 SDR)
- For each ton from 30,001 to 70,000 tons, 906 SDR (up from 600 SDR)
- For each ton in excess of 70,000, 604 SDR (up from 400 SDR).

The limit of liability for property claims for ships not exceeding 2,000 gross tonnage is 1.51 million SDR (up from 1 million SDR).

For larger ships, the following additional amounts are used in calculating the limitation amount:

- For each ton from 2,001 to 30,000 tons, 604 SDR (up from 400 SDR)
- For each ton from 30,001 to 70,000 tons, 453 SDR (up from 300 SDR)
- For each ton in excess of 70,000 tons, 302 SDR (up from 200 SDR).

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Special Drawing Rights
The daily conversion rates for Special Drawing Rights (SDRs) can be found on the International Monetary Fund IMF website: http://www.imf.org/.

See also:
IMO (International Maritime Organization)

Website:
http://www.imf.org/

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Convention relating to Civil Liability in the Field of Maritime Carriage of Nuclear Material (NUCLEAR)

Adoption by IMO: 17 December 1971; Entry into force: 15 July 1975

In 1971, IMO, in association with the International Atomic Energy Agency (IAEA) and the European Nuclear Energy Agency of the Organization for Economic Co-operation and Development (OECD), convened a Conference which adopted a Convention to regulate liability in respect of damage arising from the maritime carriage of nuclear substances.

The purpose of this Convention is to resolve difficulties and conflicts which arise from the simultaneous application to nuclear damage of certain maritime conventions dealing with shipowners' liability, as well as other conventions which place liability arising from nuclear incidents on the operators of the nuclear installations from which or to which the material in question was being transported.

The 1971 Convention provides that a person otherwise liable for damage caused in a nuclear incident shall be exonerated for liability if the operator of the nuclear installation is also liable for such damage by virtue of the Paris Convention of 29 July 1960 on Third Party Liability in the Field of Nuclear Energy; or the Vienna Convention of 21 May 1963 on Civil Liability for Nuclear Damage; or national law which is similar in the scope of protection given to the persons who suffer damage.

See also:
IMO (International Maritime Organization)

Conventional freight and the export contract

A contract of carriage between the shipper and the shipping line in which freight is levied on a liner terms basis dovetails neatly with two very popular

types of export sales contract: **fob** (standing for free on board) and **cif** (cost, insurance and freight) (with **c&f** – cost and freight – a less frequent but very similar type of contract to cif).

There are two main variations on rates quoted by conventional shipping lines. In each of these, the word "in" represents the port of loading and "out" the discharging port. The word "free" means free of cost to the shipping line.

The most common type of freight rate is one on **full liner terms**, often simply called **liner terms**. This qualification signifies that it consists of the ocean carriage and the cost of cargo handling onto and off the ship at the loading and discharging ports, according to the custom of those ports. This varies widely from country to country and, within countries, from port to port: in some ports, the freight excludes all cargo handling costs while in others, the cost of handling between the hold and the ship's rail or quay is included in the freight.

Free in liner out, also known as **free in liner terms discharge**, stipulates that the loading and stowing are to be arranged and paid for by the shipper. This could apply only when the entire cargo to be loaded at a port belongs to one party who in all likelihood has his own loading facility. As the handling of cargo is not under the control of the shipping line, the shipper may be required to load at a certain rate or within a certain time. Alternatively he may be required to load **fast as can** (this means literally what it says) or **fast as can (according to the) custom of the port**. The contract of carriage might, under these circumstances, contain clauses more usually found in voyage charter-parties. One such clause might require the payment by the shipper of **demurrage** if he exceeds the time allowed to load or he might be paid **despatch**, also termed **despatch money**, if he loads the cargo in a quicker time. When freight is free in liner out, the discharging is on ordinary liner terms as previously explained.

In the case of **liner in free out**, the loading is on liner terms but the cost of discharging is excluded from the freight. It is likely that there is only one cargo receiver at the discharging port and that he has his own discharging facility. He may well be subject to the same constraints at the discharging port as the shipper was at the port of loading in the free in liner out example above.

Whatever the basis of assessing or calculating freight, most shipping lines and liner conferences have a provision for the minimum amount of freight payable by a shipper when he has a very small quantity of cargo to ship on one bill of lading. Called simply **minimum freight**, the amount varies from line to line but is normally a very modest sum below which it would not be economic to accept bookings.

There are two instances where some or all of the freight is calculated according to the value of the goods, or, as it is referred to, **ad valorem**.

Some tariffs call for certain commodities to be rated according to their value rather than simply being put into tariff classes. This may be because a particular commodity may have variations of finish or content which result

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in a range of goods with widely varying values. In such cases, the tariff may contain a range of ad valorem rates for a commodity which increase as the fob value increases.

Sometimes, the maximum liability of a shipping line for loss or damage is insufficient for a shipper, particularly in the case of higher value goods. The shipper may be given an option of a higher limit of liability in exchange for his paying an extra sum or ad valorem charge on top of the freight. This charge varies from shipping line to shipping line but is generally between 1 and 3 per cent of the value of the goods.

In both cases, the line will require some evidence of the value of the goods, such as consular invoice.

There are occasions when freight rates are not subject to extra charges, when circumstances on a particular trade route dictate that rates should be all inclusive. Such rates are termed **all in rates**. Much less frequently, if at all, there may be no extra charges in force at a given moment.

Because of the constraints of weight and measurement on stowage, commodities fall into three broad categories for freighting purposes, certainly when being shipped LCL or breakbulk:

- weight cargoes – those one tonne of which measures less than one cubic metre;
- measurement cargoes – those one tonne of which measures more than one cubic metre; and
- cargoes which do not automatically fall into one of the above two categories, perhaps because they belong to a tariff class which includes variations of a commodity, some denser than others.

Weight cargoes are the denser cargoes as described above. For many years, these were freighted per long ton (2,240 lbs). However, with the increasing use of the metric system, it is now more usual to find weight cargoes being charged per tonne (1,000 kilogrammes). Liner tariffs often refer to the freight payable on weight cargoes as being **per weight ton**. If a liner conference wanted a particular class in the tariff to be payable on the weight, that is, per weight ton, it would normally put a W suffix to the class number, for example Class 15W. Such goods sometimes said to **stow deadweight**.

Measurement cargoes are the less dense cargoes. With the advance of the metric system, these cargoes are now usually freighted per cubic metre, often abbreviated to cbm or m^3. Jargon surrounds measurement cargoes as much as it does weight cargoes and one cubic metre of such a commodity is sometimes referred to as a **measurement ton.** This term is not as paradoxical as it may seem since the ton is said to have originally related to volume rather than weight and even now the gross and net register tonnages of ships represent cubic measures, not weights. Measurement cargoes are also said **to measure,** that is, they have a capacity in cubic metres greater than their weight in tonnes. Liner tariff classes for goods which measure and which are

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freighted solely on their cubic measurement often have the suffix M, that is, Class 12M.

Summing up these two paragraphs, cargoes which are known to stow deadweight normally are rated per 1,000 kilogrammes and their class number will have the suffix W. Those which are known to measure will be assessed per cubic metre and their class number will have the suffix M. There are many classes with no suffix in the average liner tariff; the tariff will, however, state somewhere that such cargoes will be rated either per tonne or per cubic metre, whichever produces the greatest revenue. Such a rate is called a **weight or measure rate** or a **weight or measurement rate.** This is normally abbreviated to **W/M** (when written) and **WM** (when spoken). Prior to the widespread use of the metric system, the comparison was between one long ton and 40 cubic feet.

The ratio of a commodity's measurement to its weight is known as its **stowage factor.** This is expressed in cubic feet to the ton or cubic metres to the tonne and may be referred to when assessing the way in which freight will be calculated. A measurement ton is 1 cubic metre and a weight ton is 1,000 kilogrammes. There is a more general term, the **freight ton,** which could mean either a **measurement ton** or a **weight ton**, depending on the way the cargo to which it refers has been rated by the shipping line.

Whether per long ton, metric ton, cubic metre or whatever, there needs to be an agreement between the two parties to the contract of carriage about the quantity on which freight is payable. With (relatively) small consignments shipped on liner vessels, very often the weight or measurement declared by the shipper is accepted by the shipping line and appears on the bill of lading. It is thus the bill of lading quantity which determines the freight. Liner bills of lading usually contain a provision for the carrier to check the contents of containers, trailers, packages, etc., to determine their correct weight or measurement if there is any doubt about what was declared by the shipper.

Relationship between liner terms freight and fob contract

In a fob contract, the seller is required to deliver the cargo to the port of loading stipulated in the contract and to load it on to the vessel nominated by the buyer. In practice, the seller pays the **fob charges** and from there the liner terms freight takes over and is paid for by the buyer.

Relationship between liner terms freight and cif contract

Here the seller is required not only to load the goods onto the ocean vessel but to pay the freight as well. The difference between a cif contract and a c&f contract is that, in the former, the seller arranges marine insurance cover whereas in the latter, it is the responsibility of the buyer. There are variations on cif contracts which entail a qualification to the term, such as **cif landed** or **cif free out** but when the term is unqualified, it is assumed to mean liner terms.

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Relationship between lifo freight and ciffo contract

Freight on **liner in free out** terms fits neatly with a **cif free out** contract, at least in concept. Caution is needed by the seller so as to agree terms with the shipping line or shipowner which match those agreed with the buyer. In this way any delay in discharging the ship will incur the same amount of demurrage in both the contract of carriage and the export sales contract. As a footnote, the expression cif free out is not always correctly interpreted as, although it may be readily accepted that "fo" stands for free out, it may not be self-evident from the term as to who is responsible for discharging. This may be because free out is a shipping term, not a sales term, and signifies free (of the cost of discharging) to the ship. The sales term **cif ship's hold** may perhaps be used with greater confidence.

Associated abbreviations:
c&f cost and freight
cif cost, insurance and freight
ciffo cost, insurance and freight free out
fac fast as can
faccop fast as can custom of the port
filo free in liner out
flt full liner terms
filtd free in liner terms discharge
fio free in and out
fo free out
fob free on board
lifo liner in free out
lt liner terms
pft per freight ton
w/m weight or measure(ment)

See also:
Liner and conference tariffs
Penalties

Currency adjustment factor

Shipping lines may be exposed to many currencies when involved in a given trade. These may be summarised as follows:

- tariff currency
- cost currencies
- revenue currencies
- currency of account.

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The **tariff currency** is the currency in which the freight rates in the tariff are expressed. Coincidentally, the tariff currency may also be a cost currency (explained below).

Cost currencies are those required to pay all expenses such as operating and crew costs, port charges, fuel and cargo handling charges. A hypothetical line, XYZ Line, trading between Belgium and India, might pay for crew, operating costs and fuel in US Dollars and port charges and cargo handling costs in Euros and Rupees.

Revenue currencies are the currencies in which freight is paid. Although the tariff currency may be, say, the US Dollar, the freight is normally converted to the currency of the country of shipment or possibly the country of residence of the shipper (particularly when freight is paid in the country of destination). Indeed, a shipper might well need the agreement of the shipping line to pay in the tariff currency.

It is important to note that each direction of a two-way trade is dealt with separately from the point of view of costs and revenues. Thus, in the case of XYZ Line, most if not all of the revenue from the eastbound leg from Belgium to India would be in Euros.

The **currency of account** is the currency in which the shipping line does its bookkeeping. Thus if XYZ Line were South African, it would gauge its profitability in terms of the Rand. The currency of account is often ignored when calculations are made concerning the effects of currency fluctuations. This is especially so in the case of liner conferences with many members, some of whom are based in third countries, that is to say, countries outside the range of the conference's service.

The currency adjustment factor, also known as the **currency adjustment charge**, originated when currencies started to fluctuate significantly in relation to the tariff currency and shipowners began to realise that currencies could have a significant effect on their bottom line. A shipping line would lose money if the tariff currency weakened in relation to the currencies in which costs were incurred or revenues derived. As the tariff currency weakened, so the freight received by the line reduced in value. It became necessary to introduce a surcharge, expressed as a percentage of the freight, to return the shipping line's revenue, or its ability to cover its costs, to where it was before the fluctuation.

There are various methods in use for calculating the currency adjustment factor. Perhaps the most common and most widely accepted by shipowner and shipper alike is the one based on costs incurred. Other methods include basing it on revenues and even on the quantity of cargo carried.

The currencies used to calculate the currency adjustment factor make up what is known as the **basket of currencies**. To determine the currency adjustment factor, several elements are needed:

- base date rates of exchange – a list of all the rates of exchange on a given starting date. At this point, the currency adjustment factor stands at zero

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(or has been reduced following a partial incorporation into tariff rates – see "rolling in" below);
- current rates of exchange – rates prevailing at the date when the currency adjustment factor is to be introduced or changed;
- percentage increase or decrease of all cost currencies in relation to the tariff currency;
- weighting factors – the percentage of the total of all costs expended in each of the cost currencies. These add up to 100 per cent;
- weighted percentage change – the effect of the fluctuation of each individual currency against the tariff currency. This figure is determined by multiplying the percentage increase or decrease in the value of the currency by the weighting factor.
- the total of all the weighted percentage changes becomes the currency adjustment factor. One important effect of fluctuations is that the calculation of the currency adjustment factor can bring a negative result; the currency adjustment factor becomes a minus percentage applied to the freight.

Surcharges can be brought in (and withdrawn) at relatively short notice but shipping lines and liner conferences often review fluctuations on a monthly basis and/or delay changes to the currency adjustment factor until **trigger points** are reached. These trigger points represent a movement in the weighted change of the currency adjustment factor of a certain minimum percentage. The smaller the trigger point, the more frequently the currency adjustment factor would need to be amended. Indeed, the idea of a trigger point is precisely to avoid constant alterations to the level of the currency adjustment factor as currencies fluctuate.

Many liner conferences tend to incorporate or roll in some or all of the currency adjustment factor at the time of a general rate increase. This has the effect of keeping the level of the surcharge relatively small.

Some liner conferences combine the currency adjustment factor and the bunker surcharge into one surcharge. In their internal calculations, the lines calculate the two elements separately then add them together and express as a single percentage of the freight. This combined surcharge is known as a **currency and bunker adjustment factor**. Since the two constituent elements of this surcharge can be negative, or their combined result negative, the surcharge itself can therefore be negative. Trigger points exist for this surcharge in the same way as they do for the surcharges when quoted and used separately. The difference is that the currency and bunker adjustment factor will only change when the combined effect of the movements in the two reaches the minimum level required to trigger an increase.

Although mention of the currency adjustment factor has so far revolved around shipping lines and liner conferences, tramp owners may negotiate a currency adjustment factor into voyage charters, although usually this is confined to charters for several consecutive voyages or so-called contracts of affreightment which are performed over a relatively long period of time.

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Associated abbreviations:
cabaf currency and bunker adjustment factor
cac currency adjustment charge
caf currency adjustment factor

See also:
Bunker surcharge
Liner surcharges

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Dangerous goods

Dangerous goods are goods which are potentially hazardous, such as inflammable or toxic goods. Dedicated terminals exist in ports for receiving, storing and loading dangerous goods. Safety is paramount and such terminals are equipped with fire-resistant walls, sprinkler systems and good ventilation. Terminals have separate compartments for different products and may have bottling plants.

In recognition of the special needs of such cargoes for segregated stowage and additional documentation, shipping lines sometimes levy a **hazardous cargo surcharge** or **hazardous cargo additional**. This may take the form of a monetary amount, especially in the case of container shipments for which a lump sum is charged, or a percentage of the basic freight, particularly for breakbulk shipments. In both cases, the surcharge is subject to any currency adjustment factor.

In some trades, in the case of breakbulk and lcl goods, the surcharge is levied by the shipping line pending clearance of the cargo by the merchant in the country of import. If this is done within the specified period, the surcharge is refunded in full. If, on the other hand, clearance is not effected in time, some of the money may be used to cover the line's extra costs such as special storage and the balance returned to the merchant. Delays to full container loads caused by the merchant are more likely to be the subject of demurrage than a hazardous cargo surcharge. It should be noted that there are trades where there is no hazardous cargo surcharge at all, any extra costs being incorporated into the tariff rates.

Rules governing the transport of dangerous goods, for example, minimum quantities/volumes requiring special documentation, vary from country to country.

The International Maritime Dangerous Goods (IMDG) code provides guidance on transporting dangerous goods by sea.

The IMDG Code, 2010 Edition (inc Amdt 35-10) is currently in force from 1 January 2012. The IMDG Code, 2012 edition comes into force on 1 January 2014 for two years and may be applied voluntarily as from 1 January 2013.

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Dangerous goods

International Maritime Dangerous Goods (IMDG) Code
Dangerous Goods Declaration

1 Shipper/Consignor/Sender		2 Transport document number	
		3 Page No	4 Shipper's reference
			5 Freight Forwarder's Reference
6 Consignee		7 Carrier (to be completed by the carrier)	
		SHIPPER'S DECLARATION I hereby declare that the contents of this consignment are fully and accurately described below by the Proper Shipping Name, and are classified, packaged, marked and labelled/placarded and are in all respects in proper condition for transport according to the applicable international and national governmental regulations. **The Shipper must complete and sign box 20**	
8 This shipment is within the limitations prescribed for:- (Delete non Applicable) Passenger Ship Cargo Ship		9 Additional handling information	
10 Vessel	11 Port/Place of loading		
12 Port/Place of discharge	13 Destination		

14 Shipping Marks *Number and kind of packages: description of goods	Gross mass (kg)	Net mass (kg)	Cube (m^3)

15 Vehicle Registration No./Container number	16. Seal number	17 Container/Vehicle size &type	18 Tare mass (kg)	19 Total gross mass (including tare) (kg)

CONTAINER/VEHICLE PACKING CERTIFICATE	20 Name and telephone number of shipper/person preparing this note.
I hereby declare that the goods described above have been packed/loaded into the container/vehicle identified above in accordance with the applicable provisions ** MUST BE COMPLETED AND SIGNED FOR ALL CONTAINER/VEHICLE LOADS BY PERSON RESPONSIBLE FOR PACKING/LOADING	Name Status of Declarant
19 Name of Company	
Name/status of declarant	Signature of Declarant
Place and Date	
Signature of declarant	

* DANGEROUS GOODS
You must specify: Proper Shipping name, hazard class, UN No., packing group, (where assigned), marine pollutant and observe the mandatory requirements under applicable national and international governmental regulations. For the purposes of the IMDG Code see 5.4.1.4
** For the purposes of the IMDG Code see 5.4.2. MCA0 2/05

Figure 7*: *Dangerous Goods Declaration

Crown Copyright

The Code was developed as a uniform international code for the transport of dangerous goods by sea covering such matters as packing, container traffic and stowage, with particular reference to the segregation of incompatible substances.

Development of the IMDG Code

The development of the IMDG Code dates back to the 1960 Safety of Life at Sea Conference, which recommended that governments should adopt a uniform international code for the transport of dangerous goods by sea to supplement the regulations contained in the 1960 International Convention for the Safety of Life at Sea (SOLAS).

A resolution adopted by the 1960 Conference said the proposed code should cover such matters as packing, container traffic and stowage, with particular reference to the segregation of incompatible substances.

A working group of IMO's Maritime Safety Committee began preparing the Code in 1961, in close co-operation with the United Nations Committee of Experts on the Transport of Dangerous Goods, which in a 1956 report had established minimum requirements for the transport of dangerous goods by all modes of transport.

Since its adoption by the fourth IMO Assembly in 1965, the IMDG Code has undergone many changes, both in appearance and content to keep pace with the ever-changing needs of industry. Amendments which do not affect the principles upon which the Code is based may be adopted by the MSC, allowing IMO to respond to transport developments in reasonable time.

Amendments to the IMDG Code originate from two sources; proposals submitted directly to IMO by Member States and amendments required to take account of changes to the United Nations Recommendations on the Transport of Dangerous Goods which sets the basic requirements for all the transport modes.

Amendments to the provisions of the United Nations Recommendations are made on a two-yearly cycle and approximately two years after their adoption, they are adopted by the authorities responsible for regulating the various transport modes. In that way a basic set of requirements applicable to all modes of transport is established and implemented, thus ensuring that difficulties are not encountered at inter-modal interfaces.

IMDG Code classes

For the purposes of this Code, dangerous goods are classified in different classes, to subdivide a number of these classes and to define and describe characteristics and properties of the substances, material and articles which would fall within each class or division. General provisions for each class or division are given. Individual dangerous goods are listed in the Dangerous Goods List, with the class and any specific requirements.

In accordance with the criteria for the selection of marine pollutants for

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the purposes of Annex III of the International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto (MARPOL 73/78), a number of dangerous substances in the various classes have also been identified as substances harmful to the marine environment (MARINE POLLUTANTS).

Responsibilities

The classification shall be made by the shipper/consignor or by the appropriate competent authority where specified in this Code.

Classes, divisions, packing groups

Substances (including mixtures and solutions) and articles subject to the provisions of this Code are assigned to one of the classes 1–9 according to the hazard or the most predominant of the hazards they present. Some of these classes are subdivided into divisions. These classes or divisions are as listed below:

Class 1: Explosives
Division 1.1: substances and articles which have a mass explosion hazard
Division 1.2: substances and articles which have a projection hazard but not a mass explosion hazard
Division 1.3: substances and articles which have a fire hazard and either a minor blast hazard or a minor projection hazard or both, but not a mass explosion hazard
Division 1.4: substances and articles which present no significant hazard
Division 1.5: very insensitive substances which have a mass explosion hazard
Division 1.6: extremely insensitive articles which do not have a mass explosion hazard

Class 2: Gases
Class 2.1: flammable gases
Class 2.2: non-flammable, non-toxic gases
Class 2.3: toxic gases

Class 3: Flammable liquids

Class 4: Flammable solids; substances liable to spontaneous combustion; substances which, in contact with water, emit flammable gases
Class 4.1: flammable solids, self-reactive substances and desensitized explosives
Class 4.2: substances liable to spontaneous combustion
Class 4.3: substances which, in contact with water, emit flammable gases

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Class 5: Oxidizing substances and organic peroxides
Class 5.1: oxidizing substances
Class 5.2: organic peroxides

Class 6: Toxic and infectious substances
Class 6.1: toxic substances
Class 6.2: infectious substances

Class 7: Radioactive material

Class 8: Corrosive substances

Class 9: Miscellaneous dangerous substances and articles
The numerical order of the classes and divisions is not that of the degree of danger.

Marine pollutants and wastes
Many of the substances assigned to classes 1 to 9 are deemed as being marine pollutants. Certain marine pollutants have an extreme pollution potential and are identified as severe marine pollutants.

IMDG Code made mandatory

Amendments to SOLAS chapter VII (Carriage of Dangerous Goods) adopted in May 2002 make the IMDG Code mandatory from 1 January 2004.

Also in May 2002, IMO adopted adopted the IMDG Code in a mandatory form – known as Amendment 31.

However, the provisions of the following parts of the Code will remain recommendatory:

- chapter 1.3 (Training);
- chapter 2.1 (Explosives, Introductory Notes 1 to 4 only);
- chapter 2.3, section 2.3.3 (Determination of flashpoint only);
- chapter 3.2 (columns 15 and 17 of the Dangerous Goods List only);
- chapter 3.5 (Transport schedule for Class 7 radioactive material only);
- chapter 5.4, section 5.4.5 (Multimodal dangerous goods form), insofar as layout of the form is concerned; and
- chapter 7.3 (Special requirements in the event of an incident and fire precautions involving dangerous goods only).

In practice, this means that from the legal point of view, the whole of the IMDG Code is made mandatory, but provisions of recommendatory nature are editorially expressed in the Code (e.g. using the word "should" instead of "shall") to clarify their status.

The mandatory IMDG Code incorporates certain changes relating to specific products, as well as relevant elements of the amendments to the UN Recommendations on the Transport of Dangerous Goods, Model Regulations

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Shipper (Name & Address) / Chargeur (Nom & Adresse)

Emblem of National Association

FIATA SDT

No. | Country code

SHIPPERS DECLARATION FOR THE TRANSPORT OF DANGEROUS GOODS

(approved by FIATA)

Consignee (Name & Address) / Destinataire (Nom & Adresse)

Forwarder / Transitaire

Ref. nr.

In accordance with the European Agreement concerning the international carriage of Dangerous Goods by Road (ADR), or the provisions of the IMO International Maritime Dangerous Goods (IMDG) Code, or national regulations when applicable giving the precise listing of relevant items to be entered in the transport document.

The undersigned, as principal of the forwarder remits to him together with the order of shipment of Dangerous Goods the following information:

En conformite avec la directive europeenne concernant le transport international des marchandises dangereuses par route (ADR), ou les recommandations de l'IMO du code maritime international des marchandises dangereuses (IMDG) ou des informations particulieres nationales devant apparaitre sur le document de transport.

Le soussigné, commettant du transitaire, lui remet en meme temps que l'ordre d'expedition de marchandises dangereuses les renseignements suivants:

Marks and Numbers, Number & Type of Packages, UN No, Proper Shipping Name, ADR or IMO Class, Subsidiary risk, Packing Group, Flashpoint if relevant (in °C) (sea transport only) in accordance with applicable regulations.

Marquage et numeros, nombre et type d'emballage, N° UN, appellation technique, classe ADR ou IMO, risques subsidiaires, groupe d'emballage, point eclair si necessaire (en °C) (transport maritime seulement) en accord avec les reglementations applicables.

Gross Weight (kg) Poids brut (kg)
Net quantity Quantite nette
(when required) (s'il y a lieu)

specimen

IMO SHIPPER'S CERTIFICATE

I hereby declare that the contents of this consignment are fully and accurately described above by the Proper Shipping Name, and are classified, packaged, marked and labelled/placarded, and are in all respects in proper condition for transport according to applicable international and national governmental regulations.

DECLARATION DE CHARGEMENT IMO

Je declare que le contenu de ce chargement est decrit ci-dessus de façon complete et exacte par la designation officielle de transport et qu'il est convenablement classe, emballe, marque, etiquete, muni de plaques-etiquettes et a tous egards bien conditionne pour etre transporté conformement aux reglementations internationales et nationales applicables.

ADR/IMO CONTAINER/VEHICLE PACKING CERTIFICATE

I hereby declare that the goods described above have been packed/loaded into the container/vehicle identified above in accordance with the provisions of the IMDG Code or the ADR as applicable.

CERTIFICAT D'EMPOTAGE ADR/IMO DU CONTENEUR/VEHICULE

Je soussigne declare que les marchandises decrites ci-dessus ont ete empotees/chargees dans le conteneur/vehicule identifie ci-dessus conformément aux dispositions applicables du code IMDG ou de l'ADR applicable.

Special remarks
Remarques particulieres

Place and date of issue
Lieu et date d'emission

Shippers signature and stamp
Sceau et signature du chargeur

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***Figure 8*: FIATA SDT (Shippers Declaration for the Transport of Dangerous Goods)**

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Class / Classe	CLASSIFICATION OF DANGEROUS GOODS FOR ALL MODES OF TRANSPORT	CLASSIFICATION DES MARCHANDISES DANGEREUSES POUR TOUS LES MODES DE TRANSPORT
1	Explosive substances and articles	Matières et objets explosibles
1.1	Substances and articles which have a mass explosion hazard	Matières et objets comportant un risque d'explosion en masse
1.2	Substances and articles which have a projection hazard but not a mass explosion hazard	Matières et objets comportant un risque de projection sans risque d'explosion en masse
1.3	Substances and articles which have a fire hazard and either a minor blast hazard or a minor projection hazard or both, but not a mass explosion hazard	Matières et objets comportant un risque d'incendie avec un risque léger de souffle ou de projection ou de l'un et l'autre, mais sans risque d'explosion en masse
1.4	Substances and articles which present only a slight risk of explosion	Matières et objets ne présentant qu'un danger mineur d'explosion
1.5	Very insensitive substances having a mass explosion hazard	Matières tres peu sensibles comportant un risque d'explosion en masse
1.6	Extremely insensitive articles which do not have a mass explosion hazard	Objets extrêmement peu sensibles ne comportant pas de risque d'explosion en masse
2	Gases: compressed, liquefied or dissolved under pressure	Gaz: Comprimés, liquéfiés ou dissous sous pression
2.1	Flammable gases *)	Gaz inflammables *)
2.2	Asphyxiant gases *)	Gaz asphyxiants *)
2.3	Toxic gases *) *) Class 2 is formally subdivided in the Air and Sea regulations only	Gaz toxiques *) *) La classe 2 n'est subdivisée que dans les réglementations concernant transports aériens et maritimes
3	Flammable liquids	Liquides inflammables
4.1	Flammable solids, self-reactive substances and solid desensitised explosives	Matières solides inflammables, matières autoréactives et explosibles désensibiliées solides
4.2	Substances liable to spontaneous combustion	Matieres sujettes a l'inflammation spontanee
4.3	Substances which in contact with water, emit flammable gases	Matières qui, au contact de l'eau, dégagent des gaz inflammables
5.1	Oxidizing substances	Matières comburantes
5.2	Organic peroxides	Peroxydes organiques
6.1	Toxic substances	Matières toxiques
6.2	Infectious substances	Matières infectieuses
7	Radioactive material	Matières radioactives
8	Corrosive substances	Matières corrosives
9	Miscellaneous dangerous substances and articles	Matières et objets dangereux divers

Sea transport	IMDG Code	Transports maritimes
Air transport	ICAO- TI (IATA DGR)	Transports aériens
Road transport in Europe	ADR	Transports européens par route
Rail transport in Europe	RID	Transports européens par chemin de fer

Figure 8: FIATA SDT (Shippers Declaration for the Transport of Dangerous Goods)

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adopted by the UN Committee of Experts on the Transport of Dangerous Goods at its twenty-first session in Geneva from 4 to 13 December 2000.

The amendments making the IMDG Code mandatory entered into force on 1 January 2004.

Associated abbreviations:
BIMCO Baltic and International Maritime Council
dg dangerous goods
DGN Dangerous Goods Note
DSHA Dangerous Substance in Harbour Area (Regulations)
fcl full container load
FIATA International Federation of Freight Forwarders Associations
IMDG Code International Maritime Dangerous Goods Code
lcl less than container load
nos not otherwise specified

Associated definition:
Dangerous Goods Note Document prepared by the exporter and submitted to the forwarder, carrier or authorities. It gives details of the cargo and how it needs to be handled.

Dangerous Goods Declaration Document prepared by the shipper giving details of the cargo

Associated illustrations:
Figure 8 International Maritime Dangerous Goods (IMDG) Code Dangerous Goods Declaration

See also:
BIMCO (Baltic and International Maritime Council)

Delivery and redelivery (time-charter)

Delivery of a time-chartered ship by the shipowner is the placing of the ship by the shipowner at the disposal of the charterer at the beginning of the period of the charter, at the time and place agreed. The place of delivery is often a location, such as a pilot station, where it is relatively easy to verify the time of arrival and hence the time when the charter commences. A typical charter-party might specify delivery as being on **arrival pilot station any time day or night Sundays and holidays included**.

It is often a requirement of time charter-parties that the holds of a ship be clean or clean-swept by the shipowner on delivery.

Normally, an **on hire survey**, or **on hire condition survey**, is carried out as soon as practicable. This is done to determine the condition of the ship

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which may subsequently be compared with her condition at the end of the charter. The charter-party specifies a quantity of fuel and diesel estimated to be on board at time of delivery and agreed prices payable by the time charterer to the owner; the quantity of bunkers actually on board is ascertained during the on hire survey and the two sets of figures compared. By agreement, the ship is inspected by one surveyor only or one surveyor for each of the two parties. Which party pays for the survey and whether the time taken counts for the purpose of calculating hire money are matters agreed in the charter-party.

A **delivery certificate** is issued to the time charterer by the shipowner and signed by him or on his behalf. It certifies the time, date and place of delivery of the ship. It also states the quantity of bunkers on board at the time of delivery and any notations by the charterer concerning the failure of the ship to comply in any respect with the terms of the charter-party.

At the end of the period of the charter, the ship is given back to the shipowner. This is termed **redelivery**. The main consequence of redelivery is that hire money ceases to be paid for any period beyond this time. The place of redelivery is anywhere the two parties agree and might be a particular port, any port within a range of ports or simply within an agreed area. The time charterer must give the shipowner **notice of redelivery**, that is, a written notice of the date when the ship is to be returned to the shipowner and the place of redelivery. Charter-parties often stipulate that several such notices be given at agreed intervals as the date of redelivery approaches. A typical redelivery might be at the point the ship finishes discharging her (last) cargo or on leaving the (last) port of discharge at the point where the pilot disembarks. These are known, respectively, as **when where ready on completion of discharge** and **dropping outward pilot**.

Time charter-parties often require that the holds of a ship be clean or cleanswept by the charterer on redelivery.

In a similar way to delivery, an **off hire survey**, or **off hire condition survey**, is carried out at the time the ship is re-delivered. This is done to determine whether the ship is in the same condition, wear and tear excepted, as on delivery. The quantity of bunkers is ascertained for comparison with the amounts specified in the charter-party. By agreement, the ship is inspected by one surveyor only or one surveyor for each of the parties. As with the on hire survey, the question of who pays for the survey and whether the time taken counts for the purpose of calculating hire money are dealt with in the charter-party.

A **redelivery certificate**, signed by or on behalf of the shipowner and charterer, certifies the time, date and place of redelivery of the ship. It states the quantities of bunkers remaining on board at the time of redelivery.

Associated abbreviations:
aps arrival pilot station
atdn any time day or night
dly delivery

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dop dropping outward pilot
redly redelivery
redly cert redelivery certificate
shinc Sundays and holidays included
wwr when where ready
wwrcd when where ready on completion of discharge

Associated terms:
to deliver
to redeliver

Alternative spelling:
Re-delivery

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Disbursements

Sums paid out by a ship's agent on behalf of a shipowner or charterer at a port and recovered by means of a **disbursements account**. BIMCO publishes a standard disbursements account which divides the charges into three categories: port charges, cargo charges and ship charges. Port charges include harbour dues, light dues, pilotage, towage, mooring and unmooring, shifting, Customs charges, launch hire and car hire, agency remuneration and communications. Cargo charges are stevedoring expenses, charges for winchmen and cranes, tally charges and overtime. Ship charges are cash to master, water, stores and provisions, crew expenses and repairs. Space is left for other unspecified charges.

It is common for the agent to send the shipowner a **pro forma disbursements account** in advance of the ship's call at the port in order to put the agent in funds before he is required to pay the accounts. It is also used in a different way, to help the shipowner estimate the viability of a voyage before fixing his ship. Once all the expenses have been finalised, a **final disbursements account** is sent by the agent, supported by receipts known as **vouchers**.

One issue is that of unpaid disbursements, when a ship's agent spends money on behalf of the ship but does not get paid. In this instance, it may be possible to arrest the ship to recover money outstanding. In some countries, it may also be possible to arrest other ships whose shareholders are the same as the ship in question where this belongs to a one-ship company.

Where the agent is of a sufficient size, a **disbursement clerk** may be employed to compile and verify disbursements.

Associated terms:
port disbursements

ship's disbursements

See also:
BIMCO (Baltic and International Maritime Council)
Ship operating costs
Ship's agent

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Draught

Depth to which a ship is immersed in the water; this depth varies according to the design of the ship and will be greater or lesser depending not only on the weight of the ship and everything on board, such as cargo, ballast, fuel and spares, but also on the density of the water in which the ship is lying (*see* **water density** *below*). A ship's draught is determined by reading her **draught marks**, a scale marked on the ship's stem and stern. A ship's draught is important in working out how much cargo she is allowed to lift (calculated before and during loading), in determining what ports or places are accessible to her at different times of year and in contributing to her safe navigation.

The **draught limitation** is the maximum depth of water to which the hull of a ship may be immersed at a certain port or place. Normally expressed in metres or feet, this figure is used in conjunction with the ship's deadweight scale to determine the quantity in tonnes of cargo, known as the **lift**, which the ship can carry. This limitation is determined either by the ship's load line (*see below*) or by virtue of the depth of water at the port or place in question or by some limitation on the way to or from the port or place.

The word draught is itself widely used to designate **depth of water**. In the context of the depth of water available at a port or place, it is a factor at a port or place which helps to determine the type of ship, or maximum size of ship, capable of reaching there and the maximum cargo which can be carried to or from it.

The depth of water to which a ship is immersed when fully loaded is her **laden draught**.

The average of the draughts forward and aft of a ship is the **mean draught**.

Water density is the ratio of the weight of water to its volume. This ranges from 1,000 kilogrammes per cubic metre for **fresh water** to 1,206 kilogrammes for **sea water**, with **brackish water** in between. Sea water provides greater buoyancy than fresh water so a ship loaded in fresh water to her fresh water load line will rise to her summer load line by the time she reaches the open sea. A **fresh water allowance** is the extra draught allowed by the load line regulations for loading in fresh water.

A **load line** is one of a number of lines painted on the sides of a ship which show the maximum depths to which the ship may be immersed when arriving

at, sailing through or putting to sea in the different **load line zones**. Draughts corresponding to these zones are as follows:

- **summer draught** summer zone at all times and seasonal zone at certain times;
- **tropical draught** tropical zone; and
- **winter draught** winter zone at certain times.

A ship whose hull is immersed to the appropriate load line and which cannot therefore load any more cargo is said to be **down to her marks**.

A ship whose cargo holds are full and whose hull is immersed as far as the permitted load line is said to be **full and down**. Such a condition is the ideal one for a ship operator since it maximises the use of a ship's cubic capacity and her permitted draught.

For any given quantity carried of cargo, fuel, fresh water and stores, expressed as a ship's deadweight, she will have a **corresponding draught** and vice versa.

A **bar draught** is a sandbank which forms at the mouths of rivers and very often limits the type of ship able to reach up-river destinations. In many cases, ships have to **lighten**, that is, to discharge some of their cargo to barges or small ships, before being able to navigate over a bar and complete the voyage. Equally, ships loading at an up-river port may only be able to load part of the cargo, the balance being taken on board after the ship has cleared the bar.

The **trim of a ship** is the relationship between her draughts forward and aft. Consideration is given to the trim when loading cargo since it is desirable to sail with a reasonably even keel. Failing this, a ship is safer **trimmed by the stern** or **down by the stern**, that is, with the draught aft slightly deeper than the draught forward. Adjustments can be made to the trim by the way in which the cargo is distributed in the hold or holds and by means of water ballast, for example, in the peak tanks. A ship is said to be **down by the head** or **trimmed by the head** if her draught forward is slightly deeper than her draught aft. This often makes the handling of a ship difficult at sea.

A ship's **air draught** is one of three possible measurements:

(a) the maximum height from the water-line to the topmost point of a ship, that is, the superstructure or the highest mast. This information is required for ships having to navigate bridges;
(b) the clearance between the topmost point of a ship and a bridge over a river; and
(c) the maximum height from the water-line to the top of the hatch coamings. This figure is necessary in some bulk trades where loading is effected by conveyor belt which projects over the hatchway. The ship must be low enough in the water, if necessary by retaining sufficient ballast on board, to allow the conveyor to clear the hatch coamings.

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Alternative spelling:
draft widely used alternative spelling of draught

Associated abbreviations:
bw brackish water
fw fresh water
fwa fresh water allowance
sw salt water

Associated definitions:
to draw to have a draught of (a certain number of metres or feet). For example, it may be said that a particular ship draws four metres when immersed to her summer load line.
to trim a ship to adjust the draughts forward and aft of a ship so as to enable her to sail on a reasonably even keel. *See* **trim of a ship** *above*.

See also:
Freeboards and load lines

Dry cargo ships

In addition to the ship types mentioned in **multipurpose ships** and **vehicle carriers**, these are the major dry cargo specialised ships:

Banana carrier: any ship dedicated to the banana trade. Such a ship is required to have considerable ventilation capability combined with the ability to cool the cargo and she must be fast because of the way bananas mature on passage. Most of these ships are designed to carry palletised goods although cartons are still used. More recently, bananas are being carried in specially designed refrigerated containers.

Barge-carrying ship: ocean ship which carries barges. These barges are loaded with cargo, often at a variety of locations, towed to the ocean ship, sometimes referred to as the **mother ship** and lifted or, in some cases, floated on board. After the ocean crossing, the barges are off-loaded and towed to their various destinations. The ocean ship then receives a further set of barges which have been assembled in readiness. This concept was designed to eliminate the need for specialised port equipment and to avoid transhipment with its consequent extra cost. One example of barge-carrying ships are the **LASH ships** (lighter aboard ship).

Cable ship: ship designed to lay and repair power cables or communications cables on the sea bed. Cable for laying is held in tanks or holds, of which there may be several and played out over the bows.

Cassette carrier: ship designed for the carriage of cassettes. Cassettes are a type of flat bed resembling a flatrack used to convey cargoes such as

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rolls of paper or steel coils. They are lifted onto a trailer, known as a cassette trailer and towed by a tractor unit which is part of the port terminal's facilities. The cassettes are placed on decks, similar to the car decks of ro-ro ships, which have bulkheads positioned at intervals to prevent their shifting while in transit.

Cattle carrier: ship used for the carriage of live cattle. Many are converted from oil tankers and dry cargo ships of various types, although a few have been purpose-built. The cattle are loaded and unloaded along ramps and carried in pens on several decks, all of which are weather-protected. The pens have troughs for feed and water. Some deck space is set aside for the carriage of hay, for which the ship may be equipped with a dedicated crane.

Dredger: vessel designed to remove mud or sand from the sea bed or from a river bed. This is often done at or near a port to increase the depth of water or to restore it to its previous depth. The methods of dredging are by suction, buckets and grabs. The suction method uses a pipe and a submersible pump to suck sand. The bucket method uses a continuous supply of buckets which reach to the sea bed and scrape up the sand or aggregate. A grab may also be employed on the end of a crane. All three operations transfer the sand or aggregate into the hold or into hoppers and thence to barges for removal. In some cases, the ship's hold may have a bottom opening through which the sand is dropped out at sea. Dredgers are sometimes referred to as **sand dredgers** or **sand carriers**.

Fruit carrier: ship equipped with a refrigerating system for carrying perishable goods, such as fruit, vegetables, meat and fish. Basic constructional features are similar to those of a general cargo ship. Refrigeration of cargo spaces is effected by circulating cool air at temperatures appropriate to the particular cargo. The cargo spaces are insulated, normally with aluminium or galvanised steel, to assist in maintaining the desired temperature. She is called a fruit carrier when dedicated to the fruit trade, otherwise she is termed a **refrigerated ship** or **reefer ship**.

Heavy lift ship: ship designed to lift and carry exceptionally heavy loads such as railway locomotives or offshore drilling rigs. There are three basic methods of loading and discharging such cargoes: **lift-on lift-off** by means of a heavy lift derrick fixed to the deck of the ship; **float-in float-out** whereby the ship is partially submerged during loading and discharging; **roll-on roll-off** whereby the cargo is wheeled on and off the ship.

Ice-breaker: ship whose hull is specially strengthened to enable her to crush ice using her own weight in order to make a passage sufficient for other ships to navigate.

Livestock carrier or **sheep carrier**: ship used for the carriage of livestock, mainly sheep. Many are converted from oil tankers and dry cargo ships, although a few have been purpose-built. Ships which have been converted have essentially only had livestock decks added; these consist of weather-protected pens in which the livestock are carried.

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Pallet carrier: ship designed to carry palletised goods and shipping containers. Although the ship is capable of carrying general cargo, the interior generally carries paper products on pallets. These are loaded through a side door, taken by **pallet lift** (alternatively called **pallet elevator**) to the appropriate level and thence by fork-lift truck to the desired positions. The containers are carried on deck.

Refrigerated trailer ship: vessel with decks on which refrigerated trailers are carried. Essentially she is a roll-on/roll-off ship with a large number of electrical socket connections to enable the trailers' refrigeration units to be operated. When carrying shiploads of bacon, these ships are referred to as **refrigerated meat carriers**.

Supply ship: ship used in the offshore drilling industry. As well as carrying out the normal duties of delivering supplies, her duties include towing (when she is sometimes termed a **tug/supply ship**), anchor handling, survey work and rescue work.

Support ship: vessel used in the offshore industry for testing and servicing undersea construction work. Typically she has her own cranes, diving bell, a helicopter deck, and possibly photographic and research laboratories. If engaged in diving support, she might have compression chambers.

Associated abbreviations:
LASH lighter aboard ship
ro-ro roll-on/roll-off

See also:
Multipurpose ships
Ship types
Vehicle carriers

ESC (European Shippers' Council)

The ESC represents the freight transport interests (import and export and intra-continental, by all modes of transport) of business in Europe, whether manufacturers, retailers or wholesalers – collectively referred to as shippers.

Members are drawn from national transport user organisations/shippers' councils, a number of key European commodity trade associations and corporate members.

The Council represents the vast majority of goods distributed by sea, road, rail, inland waterways and air. ESC, based in Brussels, acts as the "eyes and ears" for its member organisations – the national shippers' councils – in respect of EU (European Union) legislative activity. Equally it functions as the mouth-piece for shippers in Brussels.

It has the dual role of gathering and feeding back vital intelligence on

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current and future EU policy developments and directly lobbying for ESC positions vis-à-vis the European institutions. It does this in close co-operation with its members.

Recent work undertaken by the ESC includes contributing to the consultation on the future of the EU Maritime Antitrust Guidelines which lapse in 2013, contributing to the discussions on the weighing of loaded containers to determine their actual weight and supply chain security.

Website:
http://www.europeanshippers.eu

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ESPO (European Sea Ports Organisation)

The European Sea Ports Organisation was founded in 1993. It represents the port authorities, port associations and port administrations of the seaports of the Member States of the European Union and Norway. ESPO has also observer members in several neighbouring countries to the EU.

The European Union simply cannot function without its seaports. Ninety per cent of Europe's cargo trade in goods passes through the more than 1,200 seaports existing in the 22 maritime Member States of the EU and more than 400 million passengers pass through Europe's ports every year using ferry and cruise services.

Without seaports, the European Union would not exist as an economic world power. Without seaports, there would be no internal market.

ESPO ensures that seaports have a clear voice in the European Union. The organisation promotes the common interests of its members throughout Europe and is also engaged in dialogue with European stakeholders in the Port and Maritime sector.

ESPO works through a permanent secretariat in Brussels, a General Assembly, an Executive Committee, and eight specialised committees.

In 1974, the European Commission set up a Port Working Group, consisting of port authority representatives from Europe's major ports. Early 1993, the European Sea Ports Organisation was born out of this working group, as an independent lobby for seaport interests. The founding chairman was the late Ferdinand Suykens, former director-general of the Port of Antwerp. During its initial years of existence, the organisation established itself in Brussels, focusing on a variety of policy and technical issues. Significant initiatives were the publication of the first Environmental Code of Practice in 1994 and the establishment of EcoPorts a few years later.

The debate on the European Commission's ports package, which was issued in 2001, marked a kind of "coming of age" period for ESPO. It made members reflect and become more conscious about their role as port authorities and it strengthened the internal cohesion of the organisation.

In 2009 ESPO set up a joint office with EFIP, the European Federation of Inland Ports.

Website
http://www.espo.be
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FEMAS (Federation of European Maritime Associations of Surveyors and Consultants)

FEMAS is a federation of maritime associations. In 1988, the Vice President of VESW, the Society of Marine Surveyors and Consulting Engineers in the Netherlands, with their secretary conceived the idea that it would be prudent for the various national societies to form a federation in order that the voice of European marine consultants and European ship surveyors could be heard in international forums in maritime affairs. These matters were aired at a meeting which was attended by two German and one UK representative.

After this meeting, it was proposed by the VESW that the captioned Federation be set up. The first meeting was called in Amsterdam in 1989, since which time meetings have been held in the centres in which member societies are in operation, namely France, the Netherlands, Belgium, Italy, Germany, Greece and the United Kingdom.

The Constitution of the Federation, Memorandum and Articles of Association were presented for ratification at the General Assembly in the Netherlands in September 1993.

Whilst some countries within the European Community are not yet members of the Federation, it has been found that they sometimes do not have societies of marine consultants or ship surveyors in the maritime field.

The Presidency of the Federation changes on a bi-annual basis between the member countries by rotation. The Executive Council consists of one representative from each country, they being nominated by the societies in that country. Past presidents remain ex-officio on the Council.

The Federations' membership is exclusively for societies or associations working with a membership in the maritime field, thus individuals are not members. The day-to-day business of the Federation is looked after by a professional secretary.

The objectives of FEMAS

- To provide an organisation which is available to EU Commissioners, government departments, international bodies and others for consultation concerning matters affecting maritime safety and operations.
- To provide a central organisation within the EU capable of presenting a

unified approach to, or being approached by, national or EU Governmental bodies upon any matters affecting its member organisations or their members.
- To disseminate and update professional knowledge and information amongst the member organisations.
- To foster the exercise of the highest quality of professional service in the field of maritime surveying.
- To protect the professional title "Marine Surveyor" and/or "Maritime Consultant" or the national equivalent so that within the EU they can only be used by persons duly registered within their professions as being suitably qualified and experienced.
- To keep member organisations informed of proposed legislation affecting maritime affairs coming before the European Union Commissioners or any other governmental body.
- To consider and endeavour to obtain improvements or amendments to laws or rules which may be desirable to improve the status and customer confidence placed upon the membership of the member organisations.
- To promote dialogue amongst the member organisations ensuring unified standards and working practices within the EU.
- To represent and defend the interests of the profession at the highest possible level.

Website:
http://www.femas.info

FIATA documents

Almost 60 years ago it was felt by freight forwarders to dispose own documents and forms and for this reason FIATA created uniform standard documents and forms with distinctive colours. In the meantime, FIATA documents have an excellent reputation and are recognised as documents of tradition and trust. They have greatly contributed in the past to the facilitation of international exchanges and will continue in the future to be valuable instruments in the service of world trade. All FIATA documents comply with the UN Layout Key (Rec nr 1).

FIATA FCR (Forwarder's Certificate of Receipt

The FIATA FCR document enables the freight forwarder to provide the consignor with a special document as an official acknowledgement that he has assumed responsibility for the goods. It will primarily be used when the supplier sells the goods ex-works and needs to prove that he has complied with his obligations to the buyer by presenting a FIATA FCR. In the case of a Letter of Credit, the seller will under such conditions be able to present a FIATA FCR

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issued by a forwarder in order to obtain payment of the sales price placed at his disposal by the buyer under the terms of the Letter of Credit. The seller can no longer dispose of goods handed over to the forwarder once the FIATA FCR document has been handed over to the buyer. It is not negotiable.

FIATA FCT (Forwarders Certificate of Transport

The FIATA FCT document enables the freight forwarder to certify that he has assumed responsibility for dispatch and delivery of specific goods according to instructions he has received from the consignor as indicated in the document. The FIATA FCT has a "block" function and the freight forwarder is only responsible for the forwarding and delivery of the goods and his liability is governed by the applicable freight forwarding conditions on the reverse side. The FIATA FCT is negotiable when it is issued "to Order" and then the delivery of the consignment may only be affected against presentation of the original document, duly endorsed.

FWR (FIATA Warehouse Receipt)

The FIATA FWR document (*see* Figure 9) is a warehouse receipt for use in freight forwarders' warehousing operations. It is a standard document mainly used at national level. The FWR incorporates detailed provisions regarding the rights of the holders-by-endorsement of the document, the transfer of ownership and the agreement that presentation of the warehouse receipt amounts to good delivery of the merchandise. The FWR is not negotiable, unless it is marked "negotiable".

FBL (negotiable FIATA Multimodal Transport Bill of Lading)

The FIATA Multimodal Transport Bill of Lading (FBL) is a carrier-type transport document set up by FIATA for the use by freight forwarders acting as multimodal transport operators (MTO). The FBL can also be issued as a marine bill of lading and it is negotiable unless marked "non-negotiable". A freight forwarder acting as Multimodal Transport Operator (MTO) or marine carrier issuing a FBL is responsible for the performance of transport. The freight forwarder not only assumes responsibility for delivery of the goods at destination, but also for all carriers and third parties engaged by him for the performance of the whole transport. Freight Forwarders issuing FBLs have to insure their liability in accordance with the FBL conditions.

FIATA SDT (Shippers Declaration for the Transport of Dangerous Goods)

The FIATA SDT can be used for road transport in Europe (ADR) and sea transport (IMDG Code), but it is not accepted for international rail transport according to RID and air transport to the IATA Dangerous Goods Regulations. The Shippers Declaration shall not be completed by the freight forwarder. In each case, the Declaration must be completed and signed by the shipper (consignor) and then handed over to the freight forwarder.

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***Figure 9*: FWR (FIATA Warehouse Receipt), FFI (FIATA Forwarding Instructions)**

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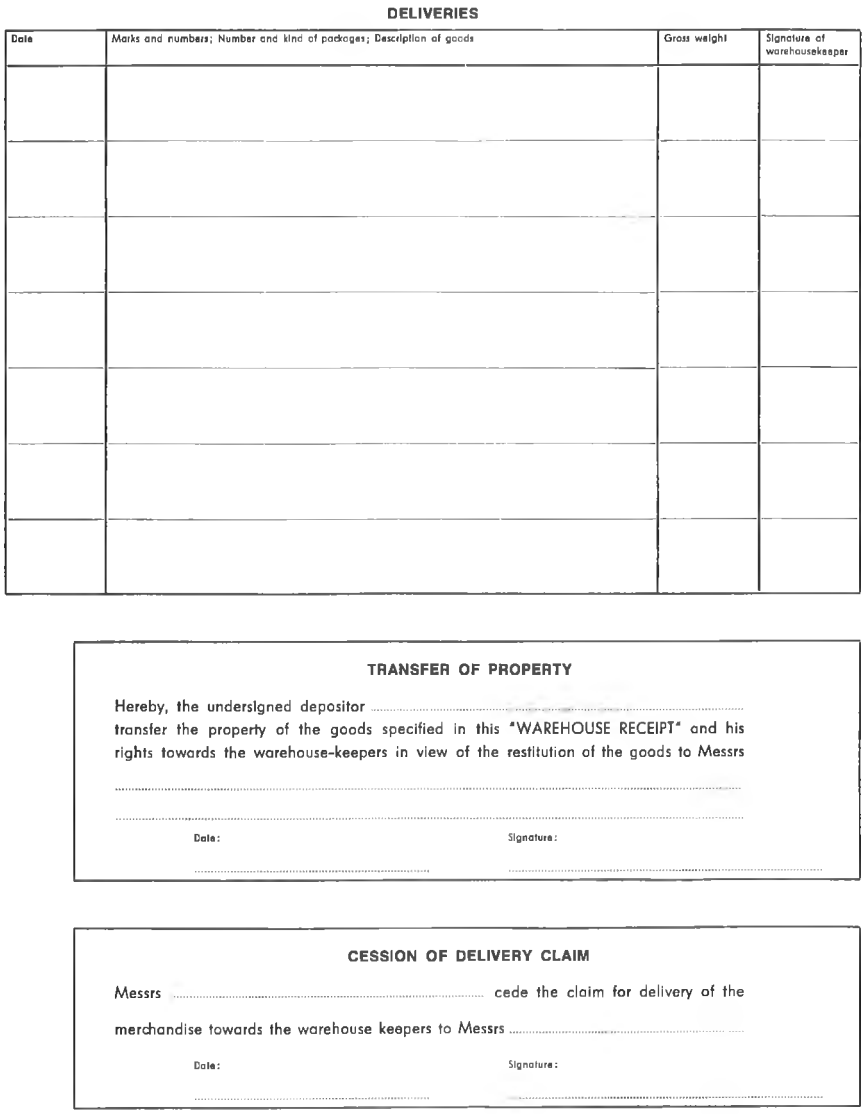

DELIVERIES

Date	Marks and numbers; Number and kind of packages; Description of goods	Gross weight	Signature of warehousekeeper

TRANSFER OF PROPERTY

Hereby, the undersigned depositor ..... transfer the property of the goods specified in this "WAREHOUSE RECEIPT" and his rights towards the warehouse-keepers in view of the restitution of the goods to Messrs

.....

.....

Date: .....

Signature: .....

CESSION OF DELIVERY CLAIM

Messrs ..... cede the claim for delivery of the merchandise towards the warehouse keepers to Messrs .....

Date: .....

Signature: .....

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Figure 9: FWR (FIATA Warehouse Receipt), FFI (FIATA Forwarding Instructions)

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FFI (FIATA forwarding instructions

Freight forwarders mostly design and print their own forwarding instructions forms, which have to be filled in by their clients. However, the instruction forms of the various freight forwarders are non-uniform. In the interest of uniformity and common layout, FIATA drafted the FIATA model for forwarding instructions. The member organisations of FIATA may adapt this instruction form to their national requirements.

Associated illustration:
Figure 9 FWR (FIATA Warehouse Receipt)

See also:
FIATA (International Federation of Freight Forwarders Associations)

FIATA (International Federation of Freight Forwarders Associations)

FIATA, in French "Fédération Internationale des Associations de Transitaires et Assimilés", in English "International Federation of Freight Forwarders Associations", in German "Internationale Föderation der Spediteurorganisationen", was founded in Vienna/Austria on 31 May 1926.

A non-governmental organisation, FIATA represents an industry covering approximately 40,000 forwarding and logistics firms, employing around 8–10 million people in 150 countries.

FIATA has consultative status with the Economic and Social Council (ECOSOC) of the United Nations (inter alia, ECE, ESCAP, ESCWA), the United Nations Conference on Trade and Development (UNCTAD) and the UN Commission on International Trade Law (UNCITRAL).

It is recognised as representing the freight forwarding industry by many other governmental organisations, governmental authorities, private international organisations in the field of transport such as the International Chamber of Commerce (ICC), the International Air Transport Association (IATA), the International Union of Railways (UIC), the International Road Transport Union (IRU), the World Customs Organization (WCO), the World Trade Organization (WTO).

FIATA's main objectives are:

- to unite the freight forwarding industry worldwide;
- to represent, promote and protect the interests of the industry by participating as advisors or experts in meetings of international bodies dealing with transportation;
- to familiarise trade and industry and the public at large with the services

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rendered by freight forwarders through the dissemination of information, distribution of publications, etc;
- to improve the quality of services rendered by freight forwarders by developing and promoting uniform forwarding documents, standard trading conditions, etc; and
- to assist with vocational training for freight forwarders, liability insurance problems, tools for electronic commerce including electronic data interchange (EDI) and barcode.

FIATA has created several documents and forms to establish a uniform standard for use by freight forwarders worldwide. The documents are easily distinguishable as each has a distinctive colour and carries the FIATA logo:

- FIATA FCR (Forwarders Certificate of Receipt) (*see* Figure 14);
- FIATA FCT (Forwarders Certificate of Transport) (*see* Figure 11);
- FWR (FIATA Warehouse Receipt) (*see* Figure 9);
- FBL (negotiable FIATA Multimodal Transport Bill of Lading) (*see* Figure 12);
- FIATA SDT (Shippers Declaration for the Transport of Dangerous Goods) (*see* Figure 8);
- FIATA SIC (Shippers Intermodal Weight Certificate); and
- FFI (FIATA Forwarding Instructions) (*see* Figure 10).
- FWB (non-negotiable FIATA Multimodal Transport Waybill);

See also:
FIATA documents

Website:
http://www.fiata.com

Flag

Nationality of a ship, the country in which the ship is registered. Hence, a British flag vessel is a vessel registered in the United Kingdom. Each country having a registry of ships is termed a **flag state**.

A **flag of convenience** is the registration of a ship in a country whose tax on the profits of trading ships is low or whose requirements concerning manning or maintenance are not stringent. This is sometimes referred to as a **flag of necessity**. This latter conveys the idea that trading from the shipowner's country of nationality is too costly and that flagging out is the only way for a shipowner to continue trading the ship.

To **flag out** is to change the registration of a ship from the nationality of the shipowning company to that of another country. Normally flagging out is to a flag of convenience.

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Flag discrimination is the action taken by the government of a country to restrict all, or some proportion of, shipments, both imports and exports, to ships of that country's fleet. The main purpose is to build up or protect the fleet by providing it with employment. In some countries, this practice is designed to avoid or restrict the spending of foreign currencies. Very often, priority is given to cargo in a national flag ship or to the ship herself in the form of lower import duty, lower port charges or priority berthing. Some countries reserve coastal trade to their own ships. This is known as **cabotage**.

A **flag waiver** is a dispensation given by a country which reserves the carriage of goods by sea to ships of its own national fleet, to ship goods in a ship of another nationality. This dispensation is given when the national fleet does not have a ship available or one which is suitable to carry the goods.

A flag is also the emblem or logo of the shipowner or shipping line. This may be made of material and flown from a standard or painted on the funnel of a ship. Some time charter-parties allow the charterer to fly his **house flag**, that is to say, his company emblem, on the ship during the period of the charter. This is particularly appropriate when the charterer is a shipping line who is supplementing his fleet by chartering in and who wishes to maintain his corporate identity.

Associated abbreviation:
foc flag of convenience

See also:
ITF (International Transport Workers' Federation)

FMC (Federal Maritime Commission)

- The Federal Maritime Commission (FMC) is the independent federal agency responsible for regulating the US international ocean transportation system for the benefit of US exporters, importers, and the US consumer.
- The FMC ensures competitive and efficient ocean transportation services for the shipping public by:
  - Reviewing and monitoring agreements among ocean common carriers and marine terminal operators (MTOs) serving the US foreign ocean-borne trades to ensure that they do not cause substantial increases in transportation costs or decreases in transportation services
  - Maintaining and reviewing confidentially filed service contracts and Non-Vessel-Operating Common Carrier (NVOCC) Service Arrangements to guard against detrimental effects to shipping
  - Providing a forum for exporters, importers and other members of the

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shipping public to obtain relief from ocean shipping practices or disputes that impede the flow of commerce
- Ensuring common carriers' tariff rates and charges are published in private, automated tariff systems and electronically available
- Monitoring rates, charges and rules of government-owned or controlled carriers to ensure they are just and reasonable
- Taking action to address unfavourable conditions caused by foreign government or business practices in US foreign shipping trades.

- The FMC protects the public from financial harm, and contributes to the integrity and security of the US supply chain and transportation system by:
  - Helping to resolve disputes involving shipment of cargo, personal or household goods, or disputes between cruise vessel operators and passengers
  - Investigating and ruling on complaints regarding rates, charges, classifications, and practices of common carriers, MTOs, and Ocean Transportation Intermediaries (OTIs), that violate the Shipping Act
  - Licensing shipping companies with appropriate character and adequate financial responsibility
  - Identifying and holding regulated entities accountable for mislabelling cargo shipped to or from the United States
  - Ensuring that cruise lines maintain financial responsibility to pay claims for personal injury or death, and to reimburse passengers when their cruise fails to sail

The Shipping Act of 1984

By the early 1980s, both shippers and carriers recognised that the pre-container Shipping Act of 1916 needed modernisation. Passage of the Shipping Act of 1984 (1984 Act), on 20 March of that year, introduced regulatory innovations that have had a major impact on liner shipping and the FMC's responsibilities. For example, the 1984 Act introduced the concept of contract carriage under service contracts filed with the FMC. The pricing of liner services via negotiated contracts, rather than exclusively by public tariffs, was a change that had profound effects on the liner industry. The 1984 Act also clarified the authority of conference members to offer intermodal pricing (the integration of ocean carriage with truck or rail service) – an important advance in transportation service.

The FMC's authority to review and approve agreements was also overhauled. Under the Shipping Act of 1916, ocean common carriers and other entities wishing to enter into cooperative agreements were required to justify the terms of those agreements to the FMC. The Commission's review and approval process could be time-consuming, particularly when an agreement was protested by outside parties. Under the 1984 Act, cooperative agreements automatically become effective after 45 days, unless the Commission takes

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specific actions to block the effective date of the agreement. As a result of that change, the Commission has heightened its emphasis on monitoring competitive conditions and carrier activity to ensure that carrier agreements remain in compliance with the letter and spirit of the 1984 Act.

The Ocean Shipping Reform Act of 1998

The 1984 Act included a requirement that the FMC conduct a five-year study on how the Act's reforms actually worked out in practice. The "Section 18 Study" (as it was known) provided the foundation for a subsequent review of US liner shipping policy also mandated in the 1984 Act. That review was conducted between April 1991 and April 1992 by a high-profile advisory panel – The Advisory Commission on Conferences in Ocean Shipping (ACCOS). The ACCOS Report's research, findings and recommendations, while not initially acted on by Congress, provided the basis for a second round of deregulatory liner legislation – The Ocean Shipping Reform Act of 1998 (OSRA).

OSRA was signed into law by President Bill Clinton on 14 October 1998, and came into effect on 1 May 1999. It provides the basis of US liner shipping policy today. The primary objectives of OSRA were to provide the ocean shipping industry with more flexibility in conducting daily business, remove certain regulatory restrictions, and promote US international liner trade by supporting greater reliance on the marketplace. Among its most notable changes were:

- ending the authority for liner conferences to regulate their members' service contracts;
- encouraging confidentiality of rates in contracts;
- giving the Commission enhanced authority to provide exemptions from existing statutory provisions; and
- strengthening the FMC's authority to address restrictive practices by foreign governments and state-controlled carriers

Certain agreements are required to be filed with the FMC: generally, agreements by and among ocean common carriers that provide for the fixing of rates, charges and other conditions of service; the pooling of revenues; the fixing of sailing schedules; the sharing of vessel space; the regulating of competition; the discussion of service contract matters; or any exclusive, preferential, cooperative working arrangement between carriers or with or among marine terminal operators are subject to filing. Pricing agreements between and among marine terminal operators or between marine terminal operators and ocean common carriers are also required to be filed.

Abbreviations:
mto marine terminal operator
OSRA Ocean Shipping Reform Act
OTI Ocean Transportation Intermediaries

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Website:
http://www.fmc.gov

FONASBA (Federation of National Associations of Shipbrokers and Agents)

The Federation of National Associations of Shipbrokers & Agents (FONASBA) provides a united voice for the world's shipbrokers and agents. Founded in 1969, the organisation promotes fair and equitable practices and ensures that the needs of its members are understood at both a governmental level and across the maritime industry.

It focuses on liner and tramp chartering, sale and purchase and documentary affairs across all shipping markets.

FONASBA has consultative status at the International Maritime Organization (IMO), United Nations Conference on Trade & Development (UNCTAD) and the World Customs Organization (WCO). It also works closely with shipowning bodies BIMCO, Intercargo and Intertanko.

FONASBA's relationship with the European Commission is handled through a sub-committee, the European Community Association of Shipbrokers & Agents (ECASBA). ECASBA provides input into European seaport, port services, shortsea shipping, shipping safety and EDI policies as well as customs and administrative procedures.

Its membership is made up of 45 national associations of shipbrokers and agents and a further six countries are represented by associate or candidate members. Individual companies are also eligible to join if there is no national association extant in that country.

All members of national associations which make up FONASBA are encouraged to obtain the FONASBA Quality Standard, proving their financial standing and commitment to quality. FONASBA is based at London's Baltic Exchange.

See also:
Baltic Exchange
BIMCO (Baltic and International Maritime Council)
IMO (International Maritime Organization)
Intercargo
Intertanko

Website:
https://www.fonasba.com/fonasba-member

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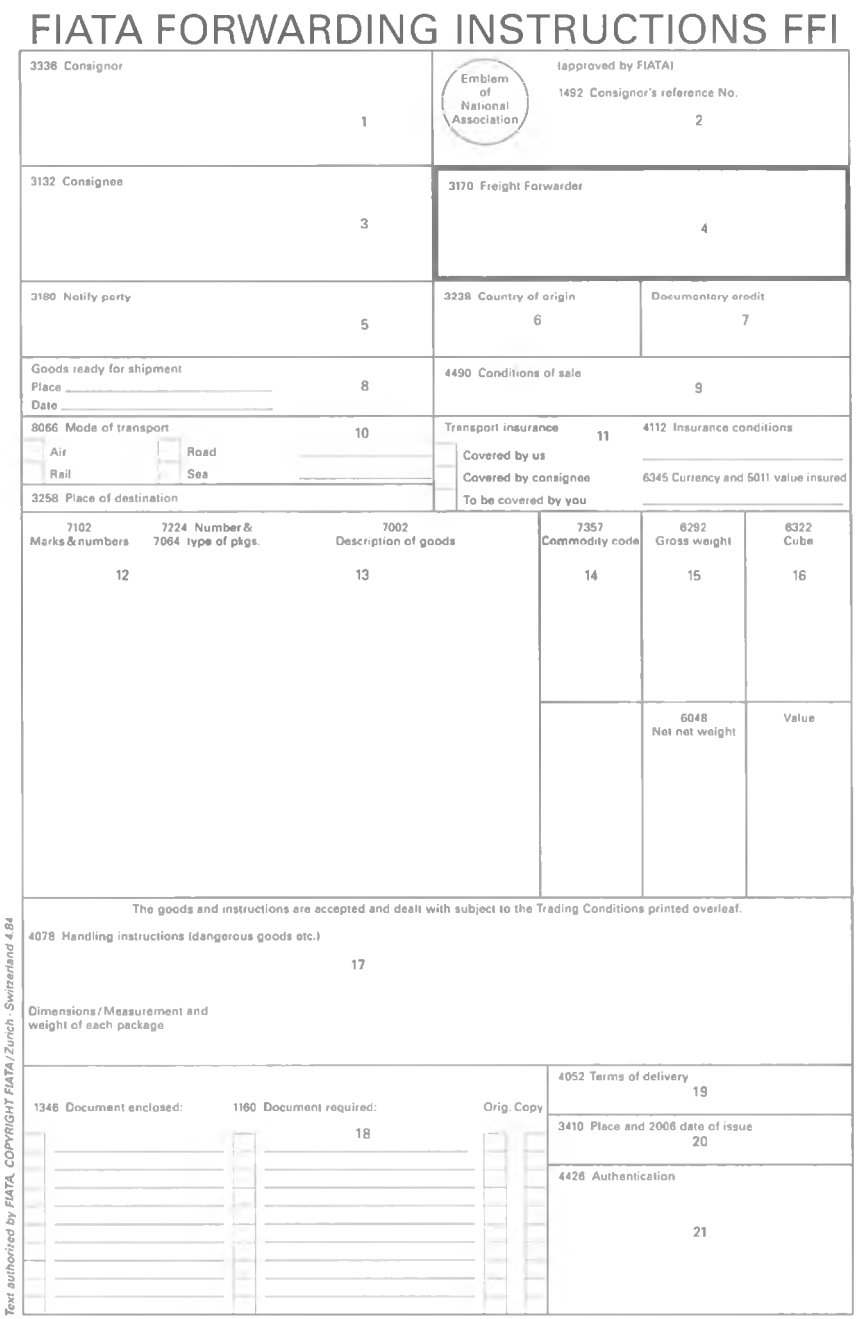
FIATA FORWARDING INSTRUCTIONS FFI

3336 Consignor — 1

Emblem of National Association

(approved by FIATA)

1492 Consignor's reference No. — 2

3132 Consignee — 3

3170 Freight Forwarder — 4

3180 Notify party — 5

3238 Country of origin — 6

Documentary credit — 7

Goods ready for shipment
Place
Date — 8

4490 Conditions of sale — 9

8066 Mode of transport — 10
Air
Road
Rail
Sea

Transport insurance — 11
Covered by us
Covered by consignee
To be covered by you

4112 Insurance conditions
6345 Currency and 5011 value insured

3258 Place of destination

7102 Marks & numbers / 7224 Number & 7064 type of pkgs. / 7002 Description of goods — 12, 13	7357 Commodity code — 14	6292 Gross weight — 15	6322 Cube — 16
		6048 Net net weight	Value

The goods and instructions are accepted and dealt with subject to the Trading Conditions printed overleaf.

4078 Handling instructions (dangerous goods etc.) — 17

Dimensions / Measurement and weight of each package

1346 Document enclosed:	1160 Document required: — 18	Orig.	Copy

4052 Terms of delivery — 19

3410 Place and 2006 date of issue — 20

4426 Authentication — 21

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***Figure 10*: FFI (FIATA Forwarding Instructions)**

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Suppliers or Forwarders Principals

Emblem of National Association

FIATA FCT

Forwarders Certificate of Transport

ORIGINAL

No.

Forw. Ref.

Consigned to order of

Notify address

Conveyance | from/via

Destination

Marks and numbers | Number and kind of packages | Description of goods | Gross weight | Measurement

specimen

according to the declaration of the consignor

The goods and instructions are accepted and dealt with subject to the General Conditions printed overleaf.

Acceptance of this document or the invocation of rights arising therefrom acknowledges the validity of the following conditions, regulations and exceptions also of the trading conditions printed overleaf, except where the latter conflict with conditions 1–6 below.

1. The undersigned are authorized to enter into contracts with carriers and others involved in the execution of the transport subject to the latter's usual terms and conditions.
2. The undersigned do not act as Carriers but as Forwarders. In consequence they are only responsible for the careful selection of third parties, instructed by them, subject to the conditions of Clause 3 hereunder.
3. The undersigned are responsible for delivery of the goods to the holder of this document through the intermediary of a delivery agent of their choice. They are not responsible for acts or omissions of Carriers involved in the execution of the transport or of other third parties. The undersigned Forwarders will, on request, assign their rights and claims against Carriers and other parties.
4. Insurance of the goods will only be effected upon express instructions in writing.
5. Unforeseen and/or unforeseeable circumstances entitle the undersigned to arrange for deviation from the envisaged route and/or method of transport.
6. Unforeseen and/or unforeseeable disbursements and charges are for the account of the goods.

Insurance through the intermediary or the undersigned Forwarders

☐ Not covered

☐ Covered according to the attached Insurance Policy / Certificate

All disputes shall be governed by the law and within the exclusive jurisdiction of the courts at the place of issue.

For delivery of the goods please apply to:

Freight and charges prepaid to:

thence for account of goods, lost or not lost.

We, the Undersigned Forwarders in accordance with the instructions of our Principals, have taken charge of the abovementioned goods in good external condition at: .....

for despatch and delivery as stated above or order against surrender of this document properly endorsed.

In witness thereof the Undersigned Forwarders have signed originals of this FCT document, all of this tenor and date. When one of these has been accomplished, the other(s) will lose their validity. .....

Place and date of issue

Stamp and signature

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Figure 11*: *FIATA FCT (Forwarders Certificate of Transport)

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Forwarding agent

Person or company who arranges the carriage of goods and the associated formalities on behalf of an exporter or importer. The duties of a forwarding agent include booking space on a ship, providing all the necessary transport documentation and arranging Customs clearance. Also referred to as a **forwarder** or **freight forwarder** or **freight service professional** or **freight intermediary**. Revenue comes from charges made to the shipper and, especially on the Continent of Europe, from a **forwarding agent's commission**, which is payable by the ocean carrier.

Depending on the individual circumstances, the forwarder may act as agent or as principal. For example, a forwarder issuing a FIATA multimodal transport bill of lading does so as carrier.

Some forwarders act as **consolidators** or **groupage operators**, grouping together several compatible consignments into a full container load. This grouping is known as **consolidation** or **groupage**. The consolidator issues a **house bill of lading** to a shipper covering that shipper's consignment which the forwarding agent has grouped with consignments from other shippers to the same destination. The forwarding agent receives one **groupage bill of lading** from the carrier which covers all the consignments.

Forwarders often form agreements with other forwarders in countries to which they may be arranging transport. It may be advantageous, especially when problems arise, to have signed an agreement, termed an **agency agreement**, with the other forwarder.

Some forwarders offer logistics services whereby they arrange all the elements required between the manufacturers and consignees to ensure that the products are available at the right time in the right place and in the right quantity.

Associated abbreviation:
fac forwarding agent's commission

Associated illustration:
Figure 10 FFI (FIATA Forwarding Institutions)

See also:
Multimodal transport bill of lading

Freeboards and load lines

A ship's freeboard is the distance between the **deck line**, that is, the line representing the uppermost continuous deck, and the relevant load line, painted on the side of a ship. Freeboards are assigned by a government department or, if authorised by that department, by a classification society.

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A **load line** is one of a number of lines painted on the sides of a ship which show the maximum depths to which the ship may be immersed when arriving at, sailing through or putting to sea in the different **load line zones**. The positioning of these lines is determined by the rules agreed at the **International Conference on Load Lines** which has been ratified by many maritime countries. The zones are geographical areas, defined by the International Conference on Load Lines. There are five types of zone: **tropical zone, summer zone, winter zone, seasonal tropical zone** and **seasonal winter zone**. The first three types of zone are permanent, that is, the one appropriate load line applies all year round. The last two zones are seasonal and the corresponding load lines apply at certain periods only, depending on the particular zone; for the rest of the year in these seasonal zones, the summer load line applies.

Load lines are marked with corresponding letters (shown below in parentheses) and have free boards associated with them as follows:

The distance between the deck line and the	is the
fresh water load line (F)	**fresh water freeboard**
fresh water timber load line (LF)	**fresh water timber freeboard**
tropical load line (T)	**tropical freeboard**
tropical fresh water load line (TF)	**tropical fresh water freeboard**
tropical timber load line (LT)	**tropical timber freeboard**
tropical fresh water timber load line (LTF)	**tropical fresh water timber freeboard**
summer load line (S)	**summer freeboard**
summer timber load line (LS)	**summer timber freeboard**
winter load line (W)	**winter freeboard**
winter North Atlantic load line (WNA)	**winter North Atlantic freeboard**
winter North Atlantic timber load line (LWNA)	**winter North Atlantic timber freeboard**
winter timber load line (LW)	**winter timber freeboard**

A ship's summer load line is also known as her **summer marks** or **Plimsoll Line**. A **load line mark** is a ring painted on the sides of a ship bisected by a horizontal line which is level with the ship's summer load line. Her winter load line is known as her **winter marks**.

A **fresh water allowance** is the extra draught allowed by the load line regulations for loading in fresh water. This is because a ship's draught will be reduced when reaching the open sea where the density of water is greater.

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Load lines are also marked on the walls of shipping containers and warehouses to show the maximum height to which goods may be stacked.

Alternative spellings:
draft
loadline or **load-line**

Associated abbreviation:
fwa fresh water allowance

Associated definition:
lumber load line alternative to timber load line

See also:
Draught
International Conference on Load Lines

Freight

Freight is the amount of money paid to a shipowner or shipping line for the carriage of cargo. The freight may include the cost of loading and/or discharging the cargo or may simply cover the ocean carriage. This will depend on the type of contract and the particular terms, particularly whether it is a liner or charter shipment and, in some cases, on the custom of the port involved. **Ocean freight** is freight payable on the sea or ocean leg of a voyage, normally used to distinguish it from other legs. **Ad valorem freight** is freight calculated on the value of the goods, expressed as a percentage thereof.

Additional freight is an extra charge imposed in accordance with the contract of carriage by a shipping line on the shipper, receiver or bill of lading holder, as the case may be, for additional expenses incurred in discharging the cargo. This charge generally applies when the port stipulated in the contract is inaccessible or when to discharge there would result in an unreasonable delay to the ship: under these circumstances, the shipping line may have an option under the contract of carriage to proceed to another port to discharge the cargo where extra costs may be incurred. An **all-in rate** is a freight rate which is inclusive of all surcharges and extras. This type of freight rate is to be found in the liner trade.

Backfreight is freight payable to a shipowner for the carriage of goods back to the port of loading or to another convenient port when the vessel is unable to reach the port of destination because of an excepted peril or because the consignee fails to take delivery of the goods or provide instructions for their disposal.

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Deadfreight is the amount of money payable by a shipper or charterer to a shipowner or shipping line for failing to load the quantity of cargo stipulated in the contract of carriage. Deadfreight is normally payable at the full freight rate but may be reduced by the loading and/or discharging expenses if these were included in the freight.

Depending on the individual contract, freight is payable **per container**, generally per 20 foot or 40 foot, **per tonne**, **per cubic metre** or **per linear metre**. Often freight may be payable **per freight ton**, which is the quantity of tonnes or cubic metres, whichever brings the shipping line the most revenue, often termed **weight or measure(ment)**. In the case of charter shipments, freight may also be paid on a **lump sum** basis. There are many variations which distinguish which costs are paid by which party. These apply to both liner and charter shipments.

When freight is payable

Freight is either prepaid or payable at destination. **Freight prepaid** is freight payable before the contract of carriage has been performed. Very often, the bills of lading are signed and exchanged with the shipper for his payment of freight. By agreement, freight may be payable by the shipper within a certain number of days of signing bills of lading. **Freight payable at destination**, also known as **freight collect** or **freight forward**, applies to freight normally paid by the consignee, often in cases of bulk cargoes whose weight is established on discharge from the ship. **Advance freight** is freight payable at a time, agreed by the shipowner and the shipper, before the goods are delivered at the place of destination in the contract of carriage. Not to be confused with **advance on freight** which is money advanced by the shipper to the master of a ship to pay for his disbursements while in port. It is often repaid by deduction from freight.

Through transport and combined transport

As far as freight is concerned, there is no difference between through transport and combined transport; in both cases the ocean carrier arranges at least one extra leg of the voyage (in addition to the sea or ocean crossing). Normally, there are overland legs in the country of export and the country of import and these can be a combination of road, rail and barge transport. The difference between the two types of service lies in the responsibility borne by the ocean carrier for the cargo:

- through transport – the ocean carrier is responsible as principal for the sea transit but as agent only on the other modes of transport. On occasion, one document, a through bill of lading, is issued but very often the through movement is covered by several documents issued by the different carriers;
- combined transport – here the ocean carrier assumes responsibility throughout the combined voyage as principal. One document is issued, a

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combined transport document or combined transport bill of lading. Any shipment of a container involving more than one mode of transport is said to be intermodal. Examples of intermodal movements are door to door, quay to door and door to quay.

Associated abbreviation:
frt freight

Associated definitions:
to freight (1) to determine or calculate the freight for a particular consignment
to freight (2) to show the freight (amount) on a document such as a ship's manifest or bill of lading

See also:
Breakbulk liner ancillary charges
Charter freight terms
Container freight
Container ancillary charges
Conventional freight and the export contract
Liner and conference tariffs
Liner surcharges

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IACS (International Association of Classification Societies Ltd)

The IACS establishes, reviews, promotes and develops minimum technical requirements in relation to the design, construction, maintenance and survey of ships and other marine related facilities.

It assists international regulatory bodies and standard organisations to develop, implement and interpret statutory regulations and industry standards in ship design, construction and maintenance, with a view to improving safety at sea and the prevention of marine pollution.

Dedicated to safe ships and clean seas, IACS makes a unique contribution to maritime safety and regulation through technical support, compliance verification and research and development. More than 90 per cent of the world's cargo carrying tonnage is covered by the classification design, construction and through-life compliance rules and standards set by the 13 Member Societies of IACS.

The following are the symbols used by each IACS Member to denote a ship constructed under special survey in compliance with the society's rules, suitable for unrestricted sea-going service.

Society	Symbol
ABS	✠A1
BV	I
CCS	★CSA
CRS	★100A1
DNV	✠1A1
GL	✠100A5
IRS	卐SUL
KR	✠KRS1
LR	✠100A1
NK	NS✳
PRS	✳KM
RINA	100-A-1.1 or C
RS	KM✪

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Associated abbreviations:

ABS American Bureau of Shipping
BV Bureau Veritas (BV) (France)
CCS China Classification Society
CR Croatian Register of Shipping
DNV Det Norske Veritas
GL Germanischer Lloyd
IRS Indian Register of Shipping
KR Korean Register of Shipping
LR Lloyd's Register of Shipping
NK Nippon Kaiji Kyokai
PRS Polish Register of Shipping
RINA Registro Italiano Navale
RS Russian Maritime Register of Shipping

Website:
http://www.iacs.org.uk/

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IAPH (International Association of Ports and Harbors)

On 7 November 1955, some 100 delegates from 38 ports and maritime organisations in 14 countries gathered in Los Angeles to announce the creation of

IAPH (International Association of Ports and Harbors)

the International Association of Ports and Harbors (IAPH). It marked its 50th Anniversary (Golden Jubilee) in 2005. Over the past five decades, IAPH has developed into a global alliance of ports, representing today some 200 ports in 85 countries. The member ports together handle well over 60 per cent of the world's sea-borne trade and nearly 80 per cent of the world container traffic. It is a non-profit-making and non-governmental organisation (NGO) headquartered in Tokyo, Japan.

Recognised as the only international organisation representing the voice of the world port industry, IAPH is granted Consultative Status as a Non-governmental Organisation (NGO) from five United Nations (UN) specialised agencies and one intergovernmental body:

- UN Economic and Social Council (ECOSOC)
- International Maritime Organization (IMO)
- UN Conference on Trade and Development (UNCTAD)
- UN Environment Programme (UNEP)
- International Labor Office (ILO)
- World Customs Organization (WCO).

The consultative status has enabled IAPH to represent at international fora the views of port managers/directors and promote, enhance and protect the interests of the global port industry as a whole.

The International Association of Ports and Harbors (IAPH) adopted the new IAPH Vision and Mission Statements as well as the Objectives to achieve the Mission at its Mid-term Conference and Board Meeting, 22 May 2012, Jerusalem, Israel.

IAPH VISION statement

The Global Ports' Forum for Industry Collaboration and Excellence.

IAPH mission statement

Promoting the interest of ports worldwide through strong member relationships, collaboration and information-sharing that help resolve common issues, advance sustainable practices and continually improve how ports serve the maritime industries.

Objectives to achieve the mission

- Strengthen relationships among the member ports by facilitating interaction, dialogue, problem-solving and formulation of best practices.
- Leverage member expertise through strong technical committees and programs that create platforms focused on resolving complex port and maritime industry concerns and building greater efficiency and sustainability for ports worldwide.
- Promote and demonstrate IAPH members' leadership and commitment to a cleaner, safer and more environmentally sustainable industry for the benefit of the global community.

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- Proactively coordinate with other international maritime and related organisations (such as IMO, UNCTAD, WCO, PIANC, etc) and advocate for global solutions to issues that impact IAPH members.

Website:
http://www.iaphworldports.org

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Ice clause

Clause in a bill of lading or charter-party which sets out the options available to the parties to the contract of carriage in the event that navigation is prevented or temporarily delayed by severe ice conditions. The wording of the clause and the options vary according to the individual contract: a master may have the right to divert the ship to the nearest safe port to discharge cargo destined for an ice-bound port. Equally, a charterer may have the option of keeping a ship waiting for ice conditions to clear on payment of demurrage.

BIMCO publishes an ice clause for voyage charter-parties. It reads as follows:

"The Vessel shall not be obliged to force ice but, subject to the Owners' approval having due regard to its size, construction and class, may follow ice-breakers.

(a) Port of loading

(i) If at any time after setting out on the approach voyage the Vessel's passage is impeded by ice, or if on arrival the loading port is inaccessible by reason of ice, the Master or Owners shall notify the Charterers thereof and request them to nominate a safe and accessible alternative port.
If the Charterers fail within 48 running hours, Sundays and holidays included, to make such nomination or agree to reckon laytime as if the port named in the contract were accessible or declare that they cancel the Charter Party, the Owners shall have the option of cancelling the Charter Party. In the event of cancellation by either party, the Charterers shall compensate the Owners for all proven loss of earnings under this Charter Party.

(ii) If at any loading port the Master considers that there is a danger of the Vessel being frozen in and provided that the Master or Owners immediately notify the Charterers thereof, the Vessel may leave with cargo loaded on board and proceed to the nearest safe and ice-free place and there await the Charterers' nomination of a safe and accessible alternative port within 24 running hours, Sundays and holidays excluded, of the Master's or Owners' notification. If the Charterers fail to nominate such alternative port, the vessel may proceed to any port(s), whether or not on the customary route for the chartered voyage, to complete with cargo for the Owners' account.*

(b) Port of discharge

(i) If the voyage to the discharging port is impeded by ice, or if on arrival the discharging port is inaccessible by reason of ice, the Master or Owners shall notify the Charterers thereof. In such case, the Charterers shall have the option of keeping the Vessel waiting until the port

is accessible against paying compensation in an amount equivalent to the rate of demurrage or of ordering the Vessel to a safe and accessible alternative port.

If the Charterers fail to make such declaration within 48 running hours, Sundays and holidays included, of the Master or Owners having given notice to the Charterers, the Master may proceed without further notice to the nearest safe and accessible port and there discharge the cargo.

(ii) If at any discharging port the Master considers that there is a danger of the Vessel being frozen in and provided that the Master or Owners immediately notify the Charterers thereof, the Vessel may leave with cargo remaining on board and proceed to the nearest safe and ice free place and there await the Charterers' nomination of a safe and accessible alternative port within 24 running hours, Sundays and holidays excluded, of the Master's or Owners' notification. If the Charterers fail to nominate such alternative port, the vessel may proceed to the nearest safe and accessible port and there discharge the remaining cargo.

(iii) On delivery of the cargo other than at the port(s) named in the contract, all conditions of the Bill of Lading shall apply and the Vessel shall receive the same freight as if discharge had been at the original port(s) of destination, except that if the distance of the substituted port(s) exceeds 100 nautical miles, the freight on the cargo delivered at the substituted port(s) shall be increased proportionately.

Note: In trades where the terms and conditions of the charter party are not incorporated into the bill(s) of lading, such bill(s) must contain an express statement permitting the vessel to complete with cargo at alternative port(s), whether or not on the customary route for the chartered voyage."

Associated abbreviation:
BIMCO Baltic and International Maritime Council

ICHCA International

ICHCA International Limited is a membership organisation originally established in 1952 and incorporated in 2002. It is dedicated to the promotion of safety and efficiency in the handling and movement of goods by all modes and during all phases of both national and international transport chains.

ICHCA International is run by a board of directors which meets twice per year.

It operates through a series of National Sections and a Regional Chapters, its Expert Panel, Working Groups and Correspondence Groups and represents the cargo handling world at various international organisations.

The following summarises its membership activities:

It represents its members and the industry at international level.

It has an influential and international membership in many countries, spanning all five continents, with national sections in Australia and Japan and a Regional Chapter – Canarias/Africa Regional Chapter based in Las Palmas.

Its membership represents a substantial cross-section of senior corporate executives, cargo handling experts, safety professionals, experts in a variety of disciplines which relate to cargo handling, including insurance, standardisa-

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tion and inspection, leading consultants, academics and authorities in the world of cargo handling and transport.

It can provide management information and exchange of technical data relating to methods and techniques in the industry whilst taking account of future trends and training needs.

It arranges opportunities for its membership to meet at international, national and regional levels at conferences, symposia, meetings, workshops and other social occasions for the interchange of information. It can assist with both formal and informal contacts in our industry.

It accepts and guarantees to find answers to, technical questions relating to cargo handling matters. This information can be supplemented by the expertise amongst its membership. Any material from a variety of sources can be submitted by members.

It produces publications for members, including monthly electronic newsletters with the latest cargo handling news, an annual publication incorporating topical trends and developments, plus individual "best practice" publications developed by its expert panel. The latter cover a wide variety of issues and technical matters.

It both participates in and monitors the activities of the regulatory bodies of government, non-governmental and inter-governmental organisations to ensure that concerns of its membership are voiced at the earliest discussion stage in the formulation of agreements, rules, regulations and laws. It has non-governmental (NGO) consultative status with a number of intergovernmental agencies whose programme of work impacts on the activities of the international cargo handling and transportation industry.

The main international organisations that it liaises with are the International Maritime Organization (IMO), United Nations Conference on Trade and Development (UNCTAD), International Labour Organization (ILO) and the International Organization for Standardization (ISO).

It maintains a liaison status with a number of international industry bodies and can take an active role in their activities where it relates to its members' interests.

These organisations include International Chamber of Shipping (ICS), International Association of Ports and Harbours (IAPH), Baltic & International Maritime Council (BIMCO), International Federation of Freight Forwarders Association (FIATA), International Atomic Energy Agency (IAEA), World Nuclear Transport Institute (WNTI), Port Equipment Manufacturers Association (PEMA), Container Owners Association (COA), Through Transport Mutual Services (UK) Limited (TT Club), plus many regional and national organisations relating to its interests.

It makes regular contributions to debates on a wide range of industry issues around the world and, in many cases, has had a direct effect on the formation of international regulations and legislation. Its representative function is carried out by staff of the Registered Office, as well as expert members and others.

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All members of ICHCA International have the opportunity to attend IMO meetings as part of the ICHCA International delegation.

It promotes policies and projects that will improve the safety, security, environmental issues and efficiency of physical handling of cargo in all transport modes.

Website:
http://www.ichca.com

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ICS (Institute of Chartered Shipbrokers)

ICS is the only internationally recognised professional body in the maritime arena and it represents shipbrokers, ship managers and agents throughout the world.

With 24 branches in key shipping areas, 4,000 individuals and 120 company members, the Institute's membership represents a commitment to maintaining the highest professional standards across the shipping industry.

Founded in 1911, the Institute was awarded a Royal Charter in 1920. The Charter was amended in 1984 to open the membership to companies and non-British subjects. As a result, the Institute is now truly international and provides a great deal of opportunity for networking.

History of the ICS

Archives in the City of London record offices, dating back to 1285, assert that "there shall be no brokers in the City except those who are admitted and sworn before the warden or Mayor and Alderman". The privilege of a licence to trade was granted to a broker for an annual fee of £5 and his promise to abide by certain rules that would ensure he would behave in an honourable fashion: any misdemeanours were answerable to the Court of Aldermen. This system lasted for an extraordinary six centuries, giving truth to the term "Honest Broker".

By the end of the nineteenth century, brokers in the City of London felt that their business was being hampered by the Court of Aldermen and the thirteenth century law was repealed in 1886. The Baltic Mercantile and Shipping Exchange Ltd (later The Baltic Exchange) exerted its own code of practice, but brokers were not obliged to be members of it and standards of conduct in the profession were not assured.

David Garbutt Pinkney of D G Pinkney & Co, a shipbroker and a member of The Baltic Exchange, was so concerned about increasingly low standards amongst shipbrokers in the first decade of the twentieth century that he suggested that an "Institute of Shipbrokers", should be formed. A number of shipbrokers and shipowners, all members of The Baltic Exchange and prominent in British society, took up his cause and the Institute was set up in 1911.

Both shipbrokers and ship agents, from London and all the ports around the UK were invited to become members.

The formal objectives for the new Institute were:

- To protect and promote, by co-operation, the general welfare and interest of shipbrokers.
- To discuss, consider and report subjects of interest to shipbrokers and to communicate with the Chambers of Commerce and other public bodies.
- To promote or oppose legislative and other measures affecting the business of shipbrokers and to consider, originate and support improvement in maritime and commercial law.
- To consider all questions affecting the interest of persons engaged in the business of shipbrokers.
- To provide better definition and protection to the profession and business of shipbrokers by a system of examination and issue of certificates.

It was this last activity – to set standards by examination – that convinced the UK's Privy Council that the Institute was a serious professional body, and deserving of a much coveted Royal Charter. It was announced, on 21 January 1920, that by "Special grace and certain knowledge of His Majesty King George V", the Royal Charter had been granted and so the Institute of Shipbrokers became the Institute of Chartered Shipbrokers.

In addition to the conditions applied to the provision of education, the Royal Charter imposed a system of discipline so that any member acting in a discreditable manner would be censured, suspended or even expelled from membership. This is still the case today.

The 1920 Charter had stipulated that members of the Institute must be British born. This rule was amended in 1947 to British subjects: as a result of the increase in the number of members that this engendered, new branches of the Institute were opened in British territories outside the UK and in Commonwealth countries.

The rapid development in trade and changes in the design and size of ships following the Second World War resulted in far greater specialisation and an increase in liner shipping. In response to these new market forces, the Institute changed its examination syllabus into a modular system, sub-dividing shipbroking into six "disciplines": dry cargo chartering; ship operations and management; tanker chartering; ship sale and purchase; liner trades and port agency.

A growing demand for membership from countries outside the Commonwealth, led to the Privy Council granting a Supplemental Charter in 1984, permitting membership of the Institute to be offered to citizens of any country in the world.

The same Charter also enabled the Institute to offer Company Membership as a new class and this has enhanced the Institute's influence. It is now represented on a number of government joint consultative committees, including

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HM Revenue and Customs and the Home Office. Suitable members of the Institute collect light dues on behalf of Trinity House.

Website:
http://www.ics.org.uk

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IHMA (International Harbour Masters' Association)

The aim of IHMA is to unite those responsible for the safe, secure, efficient and environmentally sound conduct of marine operations in port waters into one professional body to further the objectives of IHMA.

The objectives of IHMA are to:

- Promote the safe, secure, efficient and environmentally sound conduct of marine operations in port waters.
- Develop and foster collaboration and good relations among harbour masters world-wide.
- Represent the professional views of harbour masters internationally, regionally and nationally.
- Promote the professional standing and interests of harbour masters generally.
- Collect, collate and supply information of professional interest to the membership and to provide any other service to the membership that may, from time to time, be deemed appropriate.

These objectives are fulfilled in four distinct ways:

1. With more than 200 members in 40 countries the Association strives to bring together all those who hold a managerial position in aspects of the control of marine operations within a port or its approaches and is a unique source of up-to-date, hands-on expertise.
2. The Association seeks to develop and foster good relations between Harbour Masters world-wide and to represent the professional views of Harbour Masters.
3. The Association has developed a programme of regular professional contacts with sister organisations within the Marine/Port Industry. In particular, it has established Memoranda of Understanding with the International Maritime Pilots Association (IMPA), the International Association of Marine Aids to Navigation and Lighthouse Authorities (IALA), the Nautical Institute (NI) and PIANC
4. The Association has consultative status as a Non-Governmental Organization and participates at meetings of the International Maritime Organization.

Website:
http://www.harbourmaster.org

IMB (International Maritime Bureau)

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The ICC International Maritime Bureau (IMB) is a specialised division of the International Chamber Of Commerce (ICC). The IMB is a non-profit making organisation, established in 1981 to act as a focal point in the fight against all types of maritime crime and malpractice. The International Maritime Organization (IMO) in its resolution A 504 (XII) (5) and (9) adopted on 20 November 1981 has, inter alia, urged governments, all interests and organisations to cooperate and exchange information with each other and the IMB with a view to maintaining and developing a coordinated action in combating maritime fraud. The IMB has an MOU with the World Customs Organization (WCO) and has observer status with Interpol (ICPO).

IMB's main task is to protect the integrity of international trade by seeking out fraud and malpractice. For over 25 years, it has used industry knowledge, experience and access to a large number of well-placed contacts around the world to do this: identifying and investigating frauds, spotting new criminal methods and trends, and highlighting other threats to trade.

The information gathered from sources and during investigations is provided to members in the form of timely advice via a number of different communication routes. It lists the threats and explains how members can reduce their vulnerability to them. Over the years, this approach has thwarted many attempted frauds and saved the shipping and trading industry many millions of dollars.

The IMB provides an authentication service for trade finance documentation. It also investigates and reports on a number of other topics, notably documentary credit fraud, charter party fraud, cargo theft, ship deviation and ship finance fraud.

As well as helping to prevent crime, the IMB also has a duty to educate both the shipping community and a wider audience that comprises just about every entity engaged in trade. To this end, the IMB runs a regular series of courses and training programmes that have a wide-ranging syllabus and many proven benefits. It also offers bespoke consultancy services in areas such as ship and port security.

One of the IMB's principal areas of expertise is in the suppression of piracy. Concerned at the alarming growth in the phenomenon, this led to the creation of the IMB Piracy Reporting Centre in 1992. The Centre is based in Kuala Lumpur, Malaysia. It maintains a round-the-clock watch on the world's shipping lanes, reporting pirate attacks to local law enforcement and issuing warnings about piracy hotspots to shipping.

With its multi-lingual and multi-disciplined staff, experience, unique structure, industry support and well-placed contacts, the IMB can rightly claim to be the world's premier independent crime-fighting watchdog for international trade.

Website:
http://www.icc-ccs.org.uk/icc/imb

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IMO (International Maritime Organization)

IMO is the United Nations specialised agency with responsibility for the safety and security of shipping and the prevention of marine pollution by ships.

Shipping is perhaps the most international of the world's industries, serving more than 90 per cent of global trade by carrying huge quantities of cargo cost effectively, cleanly and safely.

The ownership and management chain surrounding any ship can embrace many countries and ships spend their economic life moving between different jurisdictions, often far from the country of registry. There is, therefore, a need for international standards to regulate shipping – which can be adopted and accepted by all. The first maritime treaties date back to the nineteenth century. Later, the *Titanic* disaster of 1912 spawned the first international safety of life at sea – SOLAS – convention, still the most important treaty addressing maritime safety.

The Convention establishing the International Maritime Organization (IMO) was adopted in Geneva in 1948 and IMO first met in 1959. IMO's main task has been to develop and maintain a comprehensive regulatory framework for shipping and its remit today includes safety, environmental concerns, legal matters, technical co-operation, maritime security and the efficiency of shipping.

A specialised agency of the United Nations with 169 Member States and three Associate Members, IMO is based in the United Kingdom with around 300 international staff.

IMO's specialised committees and sub-committees are the focus for the technical work to update existing legislation or develop and adopt new regulations, with meetings attended by maritime experts from member governments, together with those from interested intergovernmental and non-governmental organisations.

The result is a comprehensive body of international conventions, supported by hundreds of recommendations governing every facet of shipping. There are, firstly, measures aimed at the prevention of accidents, including standards for ship design, construction, equipment, operation and manning – key treaties include SOLAS, the MARPOL convention for the prevention

of pollution by ships and the STCW convention on standards of training for seafarers.

Then, there are measures which recognise that accidents do happen, including rules concerning distress and safety communications, the International Convention on Search and Rescue and the International Convention on Oil Pollution Preparedness, Response and Co-operation.

Thirdly, there are conventions which establish compensation and liability regimes – including the International Convention on Civil Liability for Oil Pollution Damage, the convention establishing the International Fund for Compensation for Oil Pollution Damage and the Athens Convention covering liability and compensation for passengers at sea.

Inspection and monitoring of compliance are the responsibility of Member States, but the adoption of a Voluntary IMO Member State Audit Scheme is playing a key role in enhancing implementation of IMO standards. The first audits under the Voluntary IMO Member State Audit Scheme were completed at the end of 2006, but the IMO Assembly has agreed a programme to make this scheme mandatory, with the entry into force of the mandatory audit scheme likely to be in 2015.

IMO has an extensive technical co-operation programme, which identifies needs among resource-shy Members and matches them to assistance, such as training. IMO has founded three advanced level maritime educational institutes in Malmö, Malta and Genoa.

See also:

Convention on Limitation of Liability for Maritime Claims (LLMC)
International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM)
International Convention for the Prevention of Pollution from Ships (MARPOL)
International Convention for the Safety of Life at Sea (SOLAS), 1974
International Convention on Load Lines
International Convention on Oil Pollution Preparedness, Response and Co-operation (OPRC)
International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW)
ISM Code
ISPS Code

Website:

http://www.imo.org

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Incoterms

The Incoterms® rules are an internationally recognised standard and are used worldwide in international and domestic contracts for the sale of goods. First published in 1936, Incoterms® rules provide internationally accepted definitions and rules of interpretation for most common commercial terms.

The rules have been developed and maintained by experts and practitioners brought together by ICC and have become the standard in international business rules setting. Launched in mid-September 2010, Incoterms® 2010 came into effect on 1 January 2011. They help traders avoid costly misunderstandings by clarifying the tasks, costs and risks involved in the delivery of goods from sellers to buyers. Incoterms® rules are recognised by UNCITRAL as the global standard for the interpretation of the most common terms in foreign trade.

Below are short descriptions of the 11 rules from the Incoterms® 2010 edition. These should be read in the context of the full official text of the rules.

Rules for any mode or modes of transport

EXW ex works

"Ex Works" means that the seller delivers when it places the goods at the disposal of the buyer at the seller's premises or at another named place (i.e., works, factory, warehouse, etc.). The seller does not need to load the goods on any collecting vehicle, nor does it need to clear the goods for export, where such clearance is applicable.

FCA free carrier

"Free carrier" means that the seller delivers the goods to the carrier or another person nominated by the buyer at the seller's premises or another named place. The parties are well advised to specify as clearly as possible the point within the named place of delivery, as the risk passes to the buyer at that point.

CPT carriage paid to

"Carriage paid to" means that the seller delivers the goods to the carrier or another person nominated by the seller at an agreed place (if any such place is agreed between parties) and that the seller must contract for and pay the costs of carriage necessary to bring the goods to the named place of destination.

CIP carriage and insurance paid to

"Carriage and insurance paid to" means that the seller delivers the goods to the carrier or another person nominated by the seller at an agreed place (if any such place is agreed between parties) and that the seller must contract for an

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pay the costs of carriage necessary to bring the goods to the named place of destination.

"The seller also contracts for insurance cover against the buyer's risk of loss of or damage to the goods during the carriage. The buyer should note that under CIP the seller is required to obtain insurance only on minimum cover. Should the buyer wish to have more insurance protection, it will need either to agree as much expressly with the seller or to make its own extra insurance arrangements."

DAT delivered at terminal

"Delivered at terminal" means that the seller delivers when the goods, once unloaded from the arriving means of transport, are placed at the disposal of the buyer at a named terminal at the named port or place of destination. "Terminal" includes a place, whether covered or not, such as a quay, warehouse, container yard or road, rail or air cargo terminal. The seller bears all risks involved in bringing the goods to and unloading them at the terminal at the named port or place of destination.

DAP Delivered at place

"Delivered at place" means that the seller delivers when the goods are placed at the disposal of the buyer on the arriving means of transport ready for unloading at the named place of destination. The seller bears all risks involved in bringing the goods to the named place.

DDP Delivered duty paid

"Delivered duty paid" means that the seller delivers the goods when the goods are placed at the disposal of the buyer, cleared for import on the arriving means of transport ready for unloading at the named place of destination. The seller bears all the costs and risks involved in bringing the goods to the place of destination and has an obligation to clear the goods not only for export but also for import, to pay any duty for both export and import and to carry out all customs formalities.

Rules for sea and inland waterway transport

FAS Free alongside ship

"Free alongside ship" means that the seller delivers when the goods are placed alongside the vessel (e.g., on a quay or a barge) nominated by the buyer at the named port of shipment. The risk of loss of or damage to the goods passes when the goods are alongside the ship, and the buyer bears all costs from that moment onwards.

FOB Free on board

"Free on board" means that the seller delivers the goods on board the vessel nominated by the buyer at the named port of shipment or procures the goods already so delivered. The risk of loss of or damage to the goods passes when the

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goods are on board the vessel, and the buyer bears all costs from that moment onwards.

CFR cost and freight
"Cost and freight" means that the seller delivers the goods on board the vessel or procures the goods already so delivered. The risk of loss of or damage to the goods passes when the goods are on board the vessel. The seller must contract for and pay the costs and freight necessary to bring the goods to the named port of destination.

CIF cost, insurance and freight
"Cost, insurance and freight" means that the seller delivers the goods on board the vessel or procures the goods already so delivered. The risk of loss of or damage to the goods passes when the goods are on board the vessel. The seller must contract for and pay the costs and freight necessary to bring the goods to the named port of destination.

"The seller also contracts for insurance cover against the buyer's risk of loss of or damage to the goods during the carriage. The buyer should note that under CIF the seller is required to obtain insurance only on minimum cover. Should the buyer wish to have more insurance protection, it will need either to agree as much expressly with the seller or to make its own extra insurance arrangements."

Website:
The ICC is the author of Incoterms, which can be accessed at the following website
http://www.iccwbo.org/products-and-services/trade-facilitation/incoterms-2010/

Indices and derivatives

Indices

Indices, known also as **shipping indices** and **freight indices**, are a measure of trends within certain sectors of the industry. As well as being used to follow trends, indices are used as the basis for (freight) derivatives – see below.

The Baltic Exchange collates and produces valuable market information. In particular, it publishes freight indices based on a variety of ship types and routes:

- Baltic Exchange Tanker Routes Asia – Daily Worldscale and non-Worldscale assessments on Asian tanker routes and a selection of individual Timecharter Equivalents.
- Baltic Exchange Supramax – Asia – three daily timecharter rates.

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- Baltic Exchange Dry Index – daily index made up of 20 key dry bulk routes.
- Baltic Exchange Capesize Index – nine daily Capesize vessel assessments including voyage and time charter rates.
- Baltic Exchange Panamax Index – five daily Panamax vessel assessments of time charter rates.
- Baltic Exchange Supramax Index – eight daily timecharter rates.
- Baltic Exchange Handysize Index – six daily timecharter rates.
- Baltic Exchange Dirty Tanker Index – Daily Worldscale and non-Worldscale assessments on international dirty tanker routes and a selection of basket and individual Timecharter Equivalents.
- Baltic Exchange Clean Tanker Index – Daily Worldscale and non-Worldscale assessments on international clean tanker routes and a selection of basket and individual Timecharter Equivalents.
- Baltic Exchange LPG – Single daily assessment.
- Baltic Exchange Sale & Purchase Assessments – Weekly assessment of second ship values – Aframax, VLCC, MR Product Tanker, Capesize, Panamax (Dry) and Super Handy.
- Baltic Exchange Demolition Assessments – Weekly assessment of six vessels and regions.

Shanghai Shipping Exchange publishes the **Shanghai (Export) Containerized Freight Index**. This index reflects the spot rates of the Shanghai export container transport market across 15 individual shipping routes. The **China (Export) Containerized Freight Index** is also published by the Shanghai Shipping Exchange and reflects the container market between China and the rest of the world. It is contributed to by 16 domestic and foreign shipping lines. Howe Robinson publishes the **Containership Charter Rate Index** covering charter rates for containerships of various teu capacities.

The **ConTex** (Container Ship Time Charter Assessment Index) has been published by the Hamburg Shipbrokers' Association (VHSS) since October 2007. In May 2010, the index was expanded and renamed **New ConTex**. The New ConTex is a company-independent index of time charter rates for container ships. It is based on assessments of the current day charter rates of six selected containership types, which are representative of their size categories: Type 1,100 teu and Type 1,700 teu with a charter period of one year, and the Types 2,500, 2,700, 3,500 and 4,250 teu all with a charter period of two years. Since August 2011, the New ConTex includes not only the present, well-known data but also market estimates of the participating panellists on ship types 2,500 teu (geared), 2,700 teu (gearless), 3,500 teu (gearless) and 4,250 teu (gearless) on the basis of 12 monthly results. This is an additional service on top of the original composition and assessment basis of the New ConTex Index, which will continue to be published in its present form. The purpose of this wider coverage is to give an even more accurate picture of market development.

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Indices and derivatives

The World Container Index (WCI) is a joint venture between Drewry Shipping Consultants and Cleartrade Exchange. It provides weekly assessments of container freight rates, daily forward price estimates and a bank of historical price movements. The container freight rates described by the WCI are reports of actual market prices sourced from an international panel of market participants. The index is a vital resource to all organisations involved in, or with exposure to, the containerised sea freight market; through market transparency it creates opportunities for forward price discovery and risk management which have not been available before. The WCI facilitates price risk management and forward discovery by providing the final benchmark against which container freight derivative contracts can be traded and settled. The WCI is a powerful resource of industry information including spot, historic and estimated forward price data which buyers and sellers of freight can leverage during price and contract negotiations.

Derivatives

A derivative is a contract between two parties in which a future price of freight is agreed in advance. Derivatives offer a means of managing exposure to market risk. There are various types of derivatives, of which the most commonly used in shipping are shown below. They may apply to cargo shipped on dry cargo ships, including containerships, and on tankers. They are notional, not based on a real shipment. Derivatives are used by shippers and consignees but also offer the chance to speculators, such as banks and hedge funds, to participate.

A **forward freight agreement** (FFA) is an agreement between two parties which seeks to hedge against fluctuations in freight costs. An FFA broker is an intermediary between the two principals to a forward freight agreement. The Forward Freight Agreement Brokers' Association is an independent association of FFA broking Baltic Exchange members formed in 1997, serviced by the Baltic. Its main aim is to promote the trading of forward freight agreements.

An **index-linked contract** is a contract between a shipping line and a shipper covering a fixed period of time which links freight rates to an index so that the shipper can manage the risk of freight rate fluctuation or volatility. In some cases, these rates are linked to freight derivatives so that the carrier can also manage the risks of fluctuation. When covering containers, this contract is known as an **index-linked container contract**.

Associated abbreviations:
BCI Baltic Exchange Capesize Index
BCTI Baltic Exchange Clean Tanker Index
BDA Baltic Exchange Demolition Assessments
BDI Baltic Exchange Dry Index
BDTI Baltic Exchange Dirty Tanker Index
BES Baltic Exchange Supramax
BHSI Baltic Exchange Handysize Index

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BITR Baltic Exchange International Tanker Routes Asia
BLPG Baltic Exchange LPG
BPI Baltic Exchange Panamax Index
BPOIL Baltic Exchange Palm Oil Assessment
BSI Baltic Exchange Supramax Index
BSPA Baltic Exchange Sale and Purchase Assessments
CCFI China (Export) Containerized Freight Index
ffa forward freight agreement
FFABA Forward Freight Agreement Brokers' Association
ilcc index-linked container contract
SCFI Shanghai (Export) Containerized Freight Index
tce time-charter equivalent
teu twenty-foot equivalent unit

See also:
Baltic Exchange
Bulk carriers
Worldscale

Inland haulage

One important feature of containerisation is the ease with which goods are transferred from road vehicle, rail wagon and barge to ocean vessel and back again. Taking advantage of this facility of handling, container shipping lines in many trades will carry goods overland in the country of export and the country of import. This element in the through movement of containers is called **carrier haulage**. Carriers do not have to own the vehicles that they use but can use private haulage companies with whom they negotiate haulage charges. This applies equally to the way in which rail and barge are used. It is not, however, at these rates that the merchant is debited: the line or conference will have a set of rates for this purpose known as **zone haulage rates** or **grid haulage rates**. In the country of export, the rates cover the portion of the journey from the place of acceptance of the goods in the contract of carriage to the terminal. The place of acceptance could be the supplier's premises or a container yard, wherever the container is loaded. The terminal is usually at the port but could be a delivering-in point elsewhere, sometimes at a port formerly served by the line but which, for reasons of rationalisation, is no longer called at. In the country of import, the haulage rate covers from the terminal to the place of delivery which could be a container yard or the consignee's premises, wherever the container is unpacked. The rates are known as zone rates or grid rates because each country is divided up by the line or conference by means of a grid or into zones with individual rates applicable from any zone to the terminal or terminals in the country of export and vice

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versa in the country of import. When the container is placed by the merchant in the care of the carrier, the latter decides on the best way of delivering it to the terminal and it is not unknown for the inland leg of the voyage to be effected using more than one means of transport. **Carrier haulage rates** are normally expressed in local currency as a lump sum. They are usually not subject to surcharges.

Some merchants prefer to undertake the inland haulage themselves, and this can be done both in the country of export and in the country of import. Not unexpectedly, this is known as **merchant haulage**. The container is made available to the merchant at a specified container yard either for the exporter to take away for loading or for the importer to take to his premises for unloading. Generally, the place where the container is made available is the place where the merchant is required to return it. Wherever merchant haulage is used, lines tend to impose a charge called a **handover charge** (or sometimes **transfer charge**) to cover the cost of transferring the container to and from the merchant's vehicle. Some users of merchant haulage have argued that the handover charge is a disincentive on the part of shipping lines who prefer merchants to use carrier haulage. When using their own haulier, merchants are also able to make use of the carrier's trailers and for this lines charge a hire charge which is specified in the tariff. When the carrier's equipment (container or container and trailer) is used in conjunction with merchant haulage, the merchant is allowed a period of free time while the equipment is under his control. If at the expiry of free time he has not returned the equipment, he will be subject to penalties.

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Intercargo

Intercargo is the short name for the International Association of Dry Cargo Shipowners.

Intercargo's members operate predominantly bulk carriers in the international dry bulk trades, such as coal, grain, iron ore and other bulk commodities. Their main role is to work with their members, the regulators and other shipping associations to ensure that shipping operates safely, efficiently, environmentally and profitably. To do this, they actively participate in the development of global legislation through the International Maritime Organization and other similar bodies.

On a day-to-day basis, members set a work programme, covering the most important issues affecting dry bulk shipowners. Members contribute their views so that dry bulk and industry strategy can be created. They also provide considerable information on other dry bulk issues.

Members participate in the two main committees – the Executive Committee (EXCOMM), and Technical Committee (CASTEC).

Intercargo has been involved in a number of industry areas, including:

Cargoes
Intercargo has worked with Lloyd's Register and the UK P&I Club to produce a pocket guide on the IMSBC Code (International Maritime Solid Bulk Cargoes Code). The pocket guide aims to help all those responsible to manage the risks of carrying solid bulk cargoes and achieve compliance with SOLAS. It outlines the precautions that should be taken before accepting cargoes for shipment and the procedures that should be followed for safe loading and carriage, and details the primary hazards associated with the different types of solid bulk cargo.

Loading rates
Over recent years Intercargo members have been experiencing increased pressure to load vessels quickly. This problem has escalated with the increased demand for commodities and the commercial pressure to maximise terminal throughput. Intercargo conducted a survey of ships' masters to determine the areas of concern. Two main areas were identified: the implied arrival condition required to meet onerous loading requirements and its detrimental effect on manoeuvrability and the consequences for the structural integrity of the ship. Intercargo will engage with all stakeholders including owners and operators, terminals, classification societies, shippers, flag administrations, and insurers to ensure a common understanding of this issue. The aim is to ensure that all bulk carriers are loaded safety in an appropriate manner, taking into account the capabilities of the ship, in accordance with international regulation.

Website:
http://www.intercargo.org

InterManager

InterManager is the international trade association for the shipmanagement industry.

Members are in-house or third-party ship managers, crew managers or related organisations and businesses from throughout the shipping industry.

Towards the end of the 1980s, ship management was emerging as an important industry in its own right, but there was a lack of any real forum for ship managers as a homogeneous group. The idea of forming an association of ship managers was first floated at that time, partly to serve this need, but also in response to what was perceived as unfair criticism of a growing industry sector.

Ship managers had been made scapegoats for a perceived deterioration in shipping standards over the preceding two decades. The argument ran that, with the replacement of the traditional shipowner structures by new types of

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owner such as K/S investors, third-party managers had become the instrument of cost-cutting and shoddy operations.

In fact there have always been responsible ship managers and they were among the first to recognise the pressure on standards. The ship management sector reacted with more determination than any other within the shipping industry and embarked on a quality assurance system by which negative trends could be acted upon. The result of this initiative was the creation of the International Ship Managers' Association (ISMA) in the spring of 1991. Today, InterManager represents ship managers worldwide controlling a fleet of over 4,000 ships.

To spread the quality ideal, in 1994 membership was extended to crew managers and more recently a class of associate membership created for those companies and organisations sharing the same principles.

The ISMA Code of Ship Management Standards, the foundation stone of the Association, reflected the highest standards of ship management practice. It was drafted by practical ship managers and based on the experience gained through their involvement in day-to-day ship management. IMO adopted the ISMA Code for mandatory implementation by flag states as Chapter IX of the SOLAS Convention.

Today members must have establish, implement and maintain a quality management system in accordance with the requirements of ISO 9001:2000 for all activities undertaken by the organisation.

Website:
http://www.intermanager.org

International Bunker Industry Association (IBIA)

The International Bunker Industry Association Ltd (IBIA) was conceived in October 1992 by eight members of the industry. Since then it has expanded steadily with a world-wide membership comprising ship owners, charterers, bunker suppliers, traders, brokers, barging companies, storage companies, surveyors, port authorities, credit reporting companies, lawyers, P & I clubs, equipment manufacturers, shipping journalists and marine consultants. Today, membership stands at over 600 members from 66 countries.

IBIA today represents the industry at the International Maritime Organization (IMO) as a consultative non-governmental organisation. At IMO they ensure that legislators hear the voice of the suppliers and end users of marine fuels. IBIA was represented on the Expert Panel in 2007 which reported to IMO about the implications of proposed revisions to MARPOL Annex VI. IBIA attends all meetings of the Marine Environment Protection Committee (MEPC), Maritime Safety Committee (MSC) and the Bulk Liquids and Gases (BLG sub-committee).

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IBIA has also been granted "liaison status" with the International Standards Organization (ISO). This will enable IBIA to contribute to future discussion regarding ISO 8217 and ISO 13739.

Aims of the association

1. To provide an international forum for bunker industry issues.
2. To represent the industry in discussions and negotiations with national and international policy makers, legislators and other groups and bodies.
3. To review, clarify, improve, develop and endorse where appropriate, industry methods, practices and documentation.
4. To increase the professional understanding and competence of all who work in the industry.
5. To provide services and facilities for members and others as the Board shall from time to time consider appropriate.

Abbreviations:
IBIA International Bunker Industry Association
IMO International Maritime Organization

Website:
http://www.ibia.net

International Chamber of Shipping

The International Chamber of Shipping (ICS) is the principal international trade association for the shipping industry, representing shipowners and operators in all sectors and trades.

ICS membership comprises national shipowners' associations in Asia, Europe and the Americas whose member shipping companies operate over 80 per cent of the world's merchant tonnage.

Established in 1921, ICS is concerned with all technical, legal, employment affairs and policy issues that may affect international shipping.

ICS represents shipowners with the various intergovernmental regulatory bodies that impact on shipping, including the International Maritime Organization.

ICS also develops best practices and guidance, including a wide range of publications and free resources that are used by ship operators globally.

What areas does ICS cover?

ICS has played an influential role in the development, implementation and subsequent revisions of the SOLAS, MARPOL and STCW Conventions and their related Annexes and Codes, such as ISM and ISPS, as well as virtually

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every Convention adopted by IMO. As an ILO social partner ICS also negotiated the text of the ILO Maritime Labour Convention. ICS is centrally engaged in the co-ordination and representation of the global shipping industry's views on most issues affecting shipowners and operators.

- Atmospheric emissions
- Ballast water
- Best practices
- Bridge procedures
- Canal tolls
- Cargo safety
- Competition rules
- CO_2 reduction
- Construction and equipment
- Customs
- Employment standards
- E-navigation
- Facilitation
- Flag state performance
- Free trade principles
- Industrial relations
- Insurance
- Liability
- Maritime law
- Market access
- Pollution prevention
- Port state control
- Safety management
- Security
- Ship recycling
- Shipping and trade policy
- Training standards
- Work hour regulation.

Website:
http://www.ics-shipping.org

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International Convention for Safe Containers (CSC)

Adoption by IMO: 2 December 1972; Entry into force 6 September 1977.

In the 1960s, there was a rapid increase in the use of freight containers for the consignment of goods by sea and the development of specialised container

ships. In 1967, IMO undertook to study the safety of containerisation in marine transport. The container itself emerged as the most important aspect to be considered.

IMO, in co-operation with the Economic Commission for Europe, developed a draft convention and in 1972 the finalised Convention was adopted at a conference jointly convened by the United Nations and IMO.

The 1972 Convention for Safe Containers has two goals:

- to maintain a high level of safety of human life in the transport and handling of containers by providing generally acceptable test procedures and related strength requirements; and
- to facilitate the international transport of containers by providing uniform international safety regulations, equally applicable to all modes of surface transport. In this way, proliferation of divergent national safety regulations can be avoided.

The requirements of the Convention apply to the great majority of freight containers used internationally, except those designed specially for carriage by air. As it was not intended that all containers or reusable packing boxes should be affected, the scope of the Convention is limited to containers of a prescribed minimum size having corner fittings – devices which permit handling, securing or stacking.

Technical annexes

The Convention includes two Annexes:

Annex I includes Regulations for the testing, inspection, approval and maintenance of containers

Annex II covers structural safety requirements and tests, including details of test procedures.

Annex I sets out procedures whereby containers used in international transport must be safety-approved by an Administration of a Contracting State or by an organisation acting on its behalf.

The Administration or its authorised representative will authorise the manufacturer to affix to approved containers a safety approval plate containing the relevant technical data.

The approval, evidenced by the safety approval plate granted by one Contracting State, should be recognised by other Contracting States. This principle of reciprocal acceptance of safety-approved containers is the cornerstone of the Convention; once approved and plated, it is expected that containers will move in international transport with the minimum of safety control formalities.

The subsequent maintenance of a safety-approved container is the responsibility of the owner, who is required to have the container periodically examined.

The Convention specifically requires that the container be subjected to various tests which represent a combination of safety requirements of both the inland and maritime modes of transport.

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Flexibility is incorporated in the Convention by the provision of simplified amendment procedures (tacit amendment procedure) which makes it possible to speedily adapt the test procedures to the requirements of international container traffic.

Important amendments include the 1983 amendments, which entered into force in 1984. This extended the interval between re-examination to 30 months and allowed for a choice of container re-examination procedures between the original periodic examination scheme or a new continuous examination programme.

The 1991 amendments, which entered into force in 1993 concerned Annexes I and II of the Convention. They included the addition of a new Chapter V to Annex I concerning regulations for the approval of modified containers.

The 1993 amendments, adopted in 1993 (by the IMO Assembly) require ratification by two-thirds of contracting parties to enter into force. The amendments concern the information contained on the CSC Approval plate and also amend some of the test loads and testing procedures required by the Convention.

See also:
IMO (International Maritime Organization)

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International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM)

Adoption by IMO: 13 February 2004; Entry into force: 12 months after ratification by 30 States, representing 35 per cent of world merchant shipping tonnage.

Invasive aquatic species present a major threat to the marine ecosystems, and shipping has been identified as a major pathway for introducing species to new environments. The problem increased as trade and traffic volume expanded over the last few decades, and in particular with the introduction of steel hulls, allowing vessels to use water instead of solid materials as ballast. The effects of the introduction of new species have in many areas of the world been devastating. Quantitative data show the rate of bio-invasions is continuing to increase at an alarming rate. As the volumes of seaborne trade continue overall to increase, the problem may not yet have reached its peak.

However, the Ballast Water Management Convention, adopted in 2004, aims to prevent the spread of harmful aquatic organisms from one region to

another, by establishing standards and procedures for the management and control of ships' ballast water and sediments

Under the Convention, all ships in international traffic are required to manage their ballast water and sediments to a certain standard, according to a ship-specific ballast water management plan. All ships will also have to carry a ballast water record book and an international ballast water management certificate. The ballast water management standards will be phased in over a period of time. As an intermediate solution, ships should exchange ballast water mid-ocean. However, eventually most ships will need to install an on-board ballast water treatment system.

A number of guidelines have been developed to facilitate the implementation of the Convention.

The Convention will require all ships to implement a Ballast Water and Sediments Management Plan. All ships will have to carry a Ballast Water Record Book and will be required to carry out ballast water management procedures to a given standard. Existing ships will be required to do the same, but after a phase-in period.

Parties to the Convention are given the option to take additional measures which are subject to criteria set out in the Convention and to IMO guidelines.

The Convention is divided into Articles; and an Annex which includes technical standards and requirements in the Regulations for the control and management of ships' ballast water and sediments.

General Obligations

Under Article 2 General Obligations Parties undertake to give full and complete effect to the provisions of the Convention and the Annex in order to prevent, minimize and ultimately eliminate the transfer of harmful aquatic organisms and pathogens through the control and management of ships' ballast water and sediments.

Parties are given the right to take, individually or jointly with other Parties, more stringent measures with respect to the prevention, reduction or elimination of the transfer of harmful aquatic organisms and pathogens through the control and management of ships' ballast water and sediments, consistent with international law. Parties should ensure that ballast water management practices do not cause greater harm than they prevent to their environment, human health, property or resources, or those of other States.

Reception facilities

Under Article 5 Sediment Reception Facilities Parties undertake to ensure that ports and terminals where cleaning or repair of ballast tanks occurs, have adequate reception facilities for the reception of sediments.

Research and monitoring

Article 6 Scientific and Technical Research and Monitoring calls for Parties individually or jointly to promote and facilitate scientific and technical research

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on ballast water management; and monitor the effects of ballast water management in waters under their jurisdiction.

Survey, certification and inspection

Ships are required to be surveyed and certified (Article 7 Survey and certification) and may be inspected by port State control officers (Article 9 Inspection of Ships) who can verify that the ship has a valid certificate; inspect the Ballast Water Record Book; and/or sample the ballast water. If there are concerns, then a detailed inspection may be carried out and "the Party carrying out the inspection shall take such steps as will ensure that the ship shall not discharge Ballast Water until it can do so without presenting a threat of harm to the environment, human health, property or resources."

All possible efforts shall be made to avoid a ship being unduly detained or delayed (Article 12 Undue Delay to Ships).

Technical assistance

Under Article 13 Technical Assistance, Co-operation and Regional Co-operation, Parties undertake, directly or through the Organization and other international bodies, as appropriate, in respect of the control and management of ships' ballast water and sediments, to provide support for those Parties which request technical assistance to train personnel; to ensure the availability of relevant technology, equipment and facilities; to initiate joint research and development programmes; and to undertake other action aimed at the effective implementation of this Convention and of guidance developed by the Organization related thereto.

Annex – Section A General Provisions

This includes definitions, application and exemptions. Under Regulation A-2 General Applicability: "Except where expressly provided otherwise, the discharge of Ballast Water shall only be conducted through Ballast Water Management, in accordance with the provisions of this Annex."

Annex – Section B Management and Control Requirements for Ships

Ships are required to have on board and implement a Ballast Water Management Plan approved by the Administration (Regulation B-1). The Ballast Water Management Plan is specific to each ship and includes a detailed description of the actions to be taken to implement the Ballast Water Management requirements and supplemental Ballast Water Management practices.

Ships must have a Ballast Water Record Book (Regulation B-2) to record when ballast water is taken on board; circulated or treated for Ballast Water Management purposes; and discharged into the sea. It should also record when Ballast Water is discharged to a reception facility and accidental or other exceptional discharges of Ballast Water

The specific requirements for ballast water management are contained in regulation B-3 Ballast Water Management for Ships:

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Ships constructed before 2009 with a ballast water capacity of between 1,500 and 5,000 cubic metres must conduct ballast water management that at least meets the ballast water exchange standards or the ballast water performance standards until 2014, after which time it shall at least meet the ballast water performance standard.

Ships constructed before 2009 with a ballast water capacity of less than 1,500 or greater than 5,000 cubic metres must conduct ballast water management that at least meets the ballast water exchange standards or the ballast water performance standards until 2016, after which time it shall at least meet the ballast water performance standard.

Ships constructed in or after 2009 with a ballast water capacity of less than 5,000 cubic metres must conduct ballast water management that at least meets the ballast water performance standard.

Ships constructed in or after 2009 but before 2012, with a ballast water capacity of 5,000 cubic metres or more shall conduct ballast water management that at least meets the standard described in regulation D-1 or D-2 until 2016 and at least the ballast water performance standard after 2016.

Ships constructed in or after 2012, with a ballast water capacity of 5,000 cubic metres or more shall conduct ballast water management that at least meets the ballast water performance standard.

Other methods of ballast water management may also be accepted as alternatives to the ballast water exchange standard and ballast water performance standard, provided that such methods ensure at least the same level of protection to the environment, human health, property or resources, and are approved in principle by IMO's Marine Environment Protection Committee (MEPC).

Under Regulation B-4 Ballast Water Exchange, all ships using ballast water exchange should:

- whenever possible, conduct ballast water exchange at least 200 nautical miles from the nearest land and in water at least 200 metres in depth, taking into account Guidelines developed by IMO;
- in cases where the ship is unable to conduct ballast water exchange as above, this should be as far from the nearest land as possible, and in all cases at least 50 nautical miles from the nearest land and in water at least 200 metres in depth.

When these requirements cannot be met areas may be designated where ships can conduct ballast water exchange. All ships shall remove and dispose of sediments from spaces designated to carry ballast water in accordance with the provisions of the ships' ballast water management plan (Regulation B-4).

Annex – Section C Additional measures

A Party, individually or jointly with other Parties, may impose on ships additional measures to prevent, reduce, or eliminate the transfer of Harmful Aquatic Organisms and Pathogens through ships' Ballast Water and Sediments.

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In these cases, the Party or Parties should consult with adjoining or nearby States that may be affected by such standards or requirements and should communicate their intention to establish additional measure(s) to the Organization at least six months, except in emergency or epidemic situations, prior to the projected date of implementation of the measure(s). When appropriate, Parties will have to obtain the approval of IMO.

Annex – Section D Standards for Ballast Water Management

There is a ballast water exchange standard and a ballast water performance standard. Ballast water exchange could be used to meet the performance standard:

Regulation D-1 Ballast Water Exchange Standard – Ships performing Ballast Water exchange shall do so with an efficiency of 95 per cent volumetric exchange of Ballast Water. For ships exchanging ballast water by the pumping-through method, pumping through three times the volume of each ballast water tank shall be considered to meet the standard described. Pumping through less than three times the volume may be accepted provided the ship can demonstrate that at least 95 percent volumetric exchange is met.

Regulation D-2 Ballast Water Performance Standard – Ships conducting ballast water management shall discharge less than 10 viable organisms per cubic metre greater than or equal to 50 micrometres in minimum dimension and less than 10 viable organisms per milliliter less than 50 micrometres in minimum dimension and greater than or equal to 10 micrometres in minimum dimension; and discharge of the indicator microbes shall not exceed the specified concentrations.

The indicator microbes, as a human health standard, include, but are not be limited to:

(a) Toxicogenic Vibrio cholerae (O1 and O139) with less than 1 colony forming unit (cfu) per 100 milliliters or less than 1 cfu per 1 gram (wet weight) zooplankton samples ;
(b) Escherichia coli less than 250 cfu per 100 milliliters;
(c) Intestinal Enterococci less than 100 cfu per 100 milliliters.

Ballast Water Management systems must be approved by the Administration in accordance with IMO Guidelines (Regulation D-3 Approval requirements for Ballast Water Management systems). These include systems which make use of chemicals or biocides; make use of organisms or biological mechanisms; or which alter the chemical or physical characteristics of the Ballast Water.

Prototype technologies

Regulation D-4 covers Prototype Ballast Water Treatment Technologies. It allows for ships participating in a programme approved by the Administration to test and evaluate promising Ballast Water treatment technologies to have a leeway of five years before having to comply with the requirements.

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Review of standards

Under regulation D-5 Review of Standards by the Organization, IMO is required to review the Ballast Water Performance Standard, taking into account a number of criteria including safety considerations; environmental acceptability, i.e., not causing more or greater environmental impacts than it solves; practicability, i.e., compatibility with ship design and operations; cost effectiveness; and biological effectiveness in terms of removing, or otherwise rendering inactive harmful aquatic organisms and pathogens in ballast water. The review should include a determination of whether appropriate technologies are available to achieve the standard, an assessment of the above mentioned criteria, and an assessment of the socio-economic effect(s) specifically in relation to the developmental needs of developing countries, particularly small island developing States.

Annex – Section E Survey and Certification Requirements for Ballast Water Management

Gives requirements for initial renewal, annual, intermediate and renewal surveys and certification requirements. Appendices give form of Ballast Water Management Certificate and Form of Ballast Water Record Book.

See also:
Ballast
IMO (International Maritime Organization)

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International Convention for the Prevention of Pollution from Ships (MARPOL)

Adoption by IMO: 1973 (Convention), 1978 (1978 Protocol), 1997 (Protocol – Annex VI); Entry into force: 2 October 1983 (Annexes I and II).

The International Convention for the Prevention of Pollution from Ships (MARPOL) is the main international convention covering prevention of pollution of the marine environment by ships from operational or accidental causes.

The MARPOL Convention was adopted on 2 November 1973 at IMO. The Protocol of 1978 was adopted in response to a spate of tanker accidents in 1976–1977. As the 1973 MARPOL Convention had not yet entered into force, the 1978 MARPOL Protocol absorbed the parent Convention. The combined instrument entered into force on 2 October 1983. In 1997, a Protocol was adopted to amend the Convention and a new Annex VI was

added which entered into force on 19 May 2005. MARPOL has been updated by amendments through the years.

The Convention includes regulations aimed at preventing and minimising pollution from ships – both accidental pollution and that from routine operations – and currently includes six technical Annexes. Special areas with strict controls on operational discharges are included in most Annexes.

Annex I: Regulations for the Prevention of Pollution by Oil (entered into force 2 October 1983)

Covers prevention of pollution by oil from operational measures as well as from accidental discharges; the 1992 amendments to Annex I made it mandatory for new oil tankers to have double hulls and brought in a phase-in schedule for existing tankers to fit double hulls, which was subsequently revised in 2001 and 2003.

Annex II: Regulations for the Control of Pollution by Noxious Liquid Substances in Bulk (entered into force 2 October 1983)

Details the discharge criteria and measures for the control of pollution by noxious liquid substances carried in bulk; some 250 substances were evaluated and included in the list appended to the Convention; the discharge of their residues is allowed only to reception facilities until certain concentrations and conditions (which vary with the category of substances) are complied with.

In any case, no discharge of residues containing noxious substances is permitted within 12 miles of the nearest land.

Annex III: Prevention of Pollution by Harmful Substances Carried by Sea in Packaged Form (entered into force 1 July 1992

Contains general requirements for the issuing of detailed standards on packing, marking, labelling, documentation, stowage, quantity limitations, exceptions and notifications.

For the purpose of this Annex, "harmful substances" are those substances which are identified as marine pollutants in the International Maritime Dangerous Goods Code (IMDG Code) or which meet the criteria in the Appendix of Annex III.

Annex IV: Prevention of Pollution by Sewage from Ships (entered into force 27 September 2003)

Contains requirements to control pollution of the sea by sewage; the discharge of sewage into the sea is prohibited, except when the ship has in operation an approved sewage treatment plant or when the ship is discharging comminuted and disinfected sewage using an approved system at a distance of more than three nautical miles from the nearest land; sewage which is not comminuted or disinfected has to be discharged at a distance of more than 12 nautical miles from the nearest land.

In July 2011, IMO adopted the most recent amendments to MARPOL

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Annex IV which are expected to enter into force on 1 January 2013. The amendments introduce the Baltic Sea as a special area under Annex IV and add new discharge requirements for passenger ships while in a special area.

Annex V: Prevention of Pollution by Garbage from Ships (entered into force 31 December 1988)

Deals with different types of garbage and specifies the distances from land and the manner in which they may be disposed of; the most important feature of the Annex is the complete ban imposed on the disposal into the sea of all forms of plastics.

In July 2011, IMO adopted extensive amendments to Annex V which are expected to enter into force on 1 January 2013. The revised Annex V prohibits the discharge of all garbage into the sea, except as provided otherwise, under specific circumstances.

Annex VI: Prevention of Air Pollution from Ships (entered into force 19 May 2005)

Sets limits on sulphur oxide and nitrogen oxide emissions from ship exhausts and prohibits deliberate emissions of ozone-depleting substances; designated emission control areas set more stringent standards for SOx, NOx and particulate matter.

Although air pollution from ships does not have the direct cause and effect associated with, for example, an oil spill incident, it causes a cumulative effect that contributes to the overall air quality problems encountered by populations in many areas, and also affects the natural environment, such as though acid rain.

MARPOL Annex VI, first adopted in 1997, limits the main air pollutants contained in ships exhaust gas, including sulphur oxides (SOx) and nitrous oxides (NOx), and prohibits deliberate emissions of ozone-depleting substances. MARPOL Annex VI also regulates shipboard incineration and the emissions of volatile organic compounds from tankers.

Following the entry into force of MARPOL Annex VI on 19 May 2005, Marine Environment Protection Committee (MEPC), at its 53rd session (July 2005), agreed to revise MARPOL Annex VI with the aim of significantly strengthening the emission limits in light of technological improvements and implementation experience. As a result of three years' examination, MEPC 58 (October 2008) adopted the revised MARPOL Annex VI and the associated NOx Technical Code 2008, which entered into force on 1 July 2010.

Revised MARPOL Annex VI

The main changes to MARPOL Annex VI are a progressive reduction globally in emissions of SOx, NOx and particulate matter and the introduction of emission control areas (ECAs) to reduce emissions of those air pollutants further in designated sea areas.

Under the revised MARPOL Annex VI, the global sulphur cap is reduced

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initially to 3.50 per cent (from the current 4.50 per cent), effective from 1 January 2012; then progressively to 0.50 per cent, effective from 1 January 2020, subject to a feasibility review to be completed no later than 2018. The limits applicable in ECAs for SOx and particulate matter were reduced to 1.00 per cent, beginning on 1 July 2010 (from the original 1.50 per cent); being further reduced to 0.10 per cent, effective from 1 January 2015.

Progressive reductions in NOx emissions from marine diesel engines installed on ships are also included, with a "Tier II" emission limit for engines installed on or after 1 January 2011; then with a more stringent "Tier III" emission limit for engines installed on or after 1 January 2016 operating in ECAs. Marine diesel engines installed on or after 1 January 1990, but prior to 1 January 2000, are required to comply with "Tier I" emission limits, if an approved method for that engine has been certified by an administration.

The revised NOx Technical Code 2008 includes a new chapter based on the agreed approach for regulation of existing (pre-2000) engines established in MARPOL Annex VI, provisions for a direct measurement and monitoring method, a certification procedure for existing engine and test cycles to be applied to Tier II and Tier III engines.

Revisions to the regulations for ozone-depleting substances, volatile organic compounds, shipboard incineration, reception facilities, and fuel oil quality have been made with regulations on fuel oil availability added.

The revised measures are expected to have a significant beneficial impact on the atmospheric environment and on human health, particularly for those people living in port cities and coastal communities.

Associated abbreviation:
eca emission control area

See also:
bunker surcharge
bunkers
IMO (International Maritime Organization)

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International Convention for the Safety of Life at Sea (SOLAS), 1974

Adoption by IMO: 1 November 1974; Entry into force: 25 May 1980.

The SOLAS Convention in its successive forms is generally regarded as the most important of all international treaties concerning the safety of merchant ships. The first version was adopted in 1914, in response to the Titanic

disaster, the second in 1929, the third in 1948, and the fourth in 1960. The 1974 version includes the tacit acceptance procedure – which provides that an amendment shall enter into force on a specified date unless, before that date, objections to the amendment are received from an agreed number of Parties.

As a result the 1974 Convention has been updated and amended on numerous occasions. The Convention in force today is sometimes referred to as SOLAS 1974, as amended.

Technical provisions

The main objective of the SOLAS Convention is to specify minimum standards for the construction, equipment and operation of ships, compatible with their safety. Flag States are responsible for ensuring that ships under their flag comply with its requirements, and a number of certificates are prescribed in the Convention as proof that this has been done. Control provisions also allow Contracting Governments to inspect ships of other Contracting States if there are clear grounds for believing that the ship and its equipment do not substantially comply with the requirements of the Convention – this procedure is known as port State control. The current SOLAS Convention includes Articles setting out general obligations, amendment procedure and so on, followed by an Annex divided into 12 Chapters.

Chapter I – General provisions

Includes regulations concerning the survey of the various types of ships and the issuing of documents signifying that the ship meets the requirements of the Convention. The Chapter also includes provisions for the control of ships in ports of other Contracting Governments.

Chapter II-1 – Construction – Subdivision and stability, machinery and electrical installations

The subdivision of passenger ships into watertight compartments must be such that after assumed damage to the ship's hull the vessel will remain afloat and stable. Requirements for watertight integrity and bilge pumping arrangements for passenger ships are also laid down as well as stability requirements for both passenger and cargo ships.

The degree of subdivision – measured by the maximum permissible distance between two adjacent bulkheads – varies with ship's length and the service in which it is engaged. The highest degree of subdivision applies to passenger ships.

Requirements covering machinery and electrical installations are designed to ensure that services which are essential for the safety of the ship, passengers and crew are maintained under various emergency conditions.

"Goal-based standards" for oil tankers and bulk carriers were adopted in 2010, requiring new ships to be designed and constructed for a specified design life and to be safe and environmentally friendly, in intact and specified damage conditions, throughout their life. Under the regulation, ships should

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have adequate strength, integrity and stability to minimise the risk of loss of the ship or pollution to the marine environment due to structural failure, including collapse, resulting in flooding or loss of watertight integrity.

Chapter II-2 – Fire protection, fire detection and fire extinction

Includes detailed fire safety provisions for all ships and specific measures for passenger ships, cargo ships and tankers.

They include the following principles: division of the ship into main and vertical zones by thermal and structural boundaries; separation of accommodation spaces from the remainder of the ship by thermal and structural boundaries; restricted use of combustible materials; detection of any fire in the zone of origin; containment and extinction of any fire in the space of origin; protection of the means of escape or of access for fire-fighting purposes; ready availability of fire-extinguishing appliances; minimisation of the possibility of ignition of flammable cargo vapour.

Chapter III – Life-saving appliances and arrangements

The chapter includes requirements for life-saving appliances and arrangements, including requirements for life boats, rescue boats and life jackets according to type of ship. The International Life-Saving Appliance (LSA) Code gives specific technical requirements for LSAs and is mandatory under Regulation 34, which states that all life-saving appliances and arrangements shall comply with the applicable requirements of the LSA Code.

Chapter IV – Radiocommunications

The chapter incorporates the Global Maritime Distress and Safety System (GMDSS). All passenger ships and all cargo ships of 300 gross tonnage and upwards on international voyages are required to carry equipment designed to improve the chances of rescue following an accident, including satellite emergency position indicating radio beacons (EPIRBs) and search and rescue transponders (SARTs) for the location of the ship or survival craft.

Regulations in Chapter IV cover undertakings by contracting governments to provide radiocommunication services as well as ship requirements for carriage of radiocommunications equipment. The chapter is closely linked to the Radio Regulations of the International Telecommunication Union.

Chapter V – Safety of navigation

Chapter V identifies certain navigation safety services which should be provided by Contracting Governments and sets forth provisions of an operational nature applicable in general to all ships on all voyages. This is in contrast to the Convention as a whole, which only applies to certain classes of ship engaged on international voyages.

The subjects covered include the maintenance of meteorological services for ships; the ice patrol service; routeing of ships; and the maintenance of search and rescue services.

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This chapter also includes a general obligation for masters to proceed to the assistance of those in distress and for Contracting Governments to ensure that all ships shall be sufficiently and efficiently manned from a safety point of view.

The chapter makes mandatory the carriage of voyage data recorders (VDRs) and automatic ship identification systems (AIS).

Chapter VI – Carriage of cargoes

The chapter covers all types of cargo (except liquids and gases in bulk) "which, owing to their particular hazards to ships or persons on board, may require special precautions". The regulations include requirements for stowage and securing of cargo or cargo units (such as containers). The chapter requires cargo ships carrying grain to comply with the International Grain Code.

Chapter VII – Carriage of dangerous goods

The regulations are contained in three parts:

Part A – Carriage of dangerous goods in packaged form – includes provisions for the classification, packing, marking, labelling and placarding, documentation and stowage of dangerous goods. Contracting Governments are required to issue instructions at the national level and the chapter makes mandatory the International Maritime Dangerous Goods (IMDG) Code, developed by IMO, which is constantly updated to accommodate new dangerous goods and to supplement or revise existing provisions.

Part A-1 – Carriage of dangerous goods in solid form in bulk – covers the documentation, stowage and segregation requirements for these goods and requires reporting of incidents involving such goods.

Part B covers Construction and equipment of ships carrying dangerous liquid chemicals in bulk and requires chemical tankers to comply with the International Bulk Chemical Code (IBC Code).

Part C covers Construction and equipment of ships carrying liquefied gases in bulk and gas carriers to comply with the requirements of the International Gas Carrier Code (IGC Code).

Part D includes special requirements for the carriage of packaged irradiated nuclear fuel, plutonium and high-level radioactive wastes on board ships and requires ships carrying such products to comply with the International Code for the Safe Carriage of Packaged Irradiated Nuclear Fuel, Plutonium and High-Level Radioactive Wastes on Board Ships (INF Code).

The chapter requires carriage of dangerous goods to be in compliance with the relevant provisions of the International Maritime Dangerous Goods Code (IMDG Code).

Chapter VIII – Nuclear ships

Gives basic requirements for nuclear-powered ships and is particularly concerned with radiation hazards. It refers to detailed and comprehensive Code of Safety for Nuclear Merchant Ships which was adopted by the IMO Assembly in 1981.

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Chapter IX – Management for the safe operation of ships

The chapter makes mandatory the International Safety Management (ISM) Code, which requires a safety management system to be established by the shipowner or any person who has assumed responsibility for the ship (the "Company").

Chapter X – Safety measures for high-speed craft

The chapter makes mandatory the International Code of Safety for High-Speed Craft (HSC Code).

Chapter XI-1 – Special measures to enhance maritime safety

The chapter clarifies requirements relating to authorisation of recognised organisations (responsible for carrying out surveys and inspections on Administrations' behalves); enhanced surveys; ship identification number scheme; and port State control on operational requirements.

Chapter XI-2 – Special measures to enhance maritime security

Regulation XI-2/3 of the chapter enshrines the International Ship and Port Facilities Security Code (ISPS Code). Part A of the Code is mandatory and Part B contains guidance as to how best to comply with the mandatory requirements. Regulation XI-2/8 confirms the role of the Master in exercising his professional judgement over decisions necessary to maintain the security of the ship. It says he shall not be constrained by the Company, the charterer or any other person in this respect.

Regulation XI-2/5 requires all ships to be provided with a ship security alert system. Regulation XI-2/6 covers requirements for port facilities, providing among other things for Contracting Governments to ensure that port facility security assessments are carried out and that port facility security plans are developed, implemented and reviewed in accordance with the ISPS Code. Other regulations in this chapter cover the provision of information to IMO, the control of ships in port (including measures such as the delay, detention, restriction of operations including movement within the port, or expulsion of a ship from port) and the specific responsibility of companies.

Chapter XII – Additional safety measures for bulk carriers

The chapter includes structural requirements for bulk carriers over 150 metres in length.

Amendments

The 1974 Convention has been amended many times to keep it up to date.

Amendments adopted by the Maritime Safety Committee (MSC) are listed in MSC Resolutions.

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New developments

As part of SOLAS, IMO has submitted a proposal on the weighing of containers to prevent losses occasioned by overweight containers. The proposal calls for verifying the weight of every container before it is loaded onto the vessel, either when it is packed or by weighing the contents before they are loaded and adding the tare weight of the container.

See also:
IMO (International Maritime Organization)

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International Convention on Load Lines

Adoption by IMO: 5 April 1966; Entry into force: 21 July 1968.

It has long been recognised that limitations on the draught to which a ship may be loaded make a significant contribution to her safety. These limits are given in the form of freeboards, which constitute, besides external weathertight and watertight integrity, the main objective of the Convention.

The first International Convention on Load Lines, adopted in 1930, was based on the principle of reserve buoyancy, although it was recognised then that the freeboard should also ensure adequate stability and avoid excessive stress on the ship's hull as a result of overloading.

In the 1966 Load Lines convention, adopted by IMO, provisions are made for determining the freeboard of ships by subdivision and damage stability calculations.

The regulations take into account the potential hazards present in different zones and different seasons. The technical annex contains several additional safety measures concerning doors, freeing ports, hatchways and other items. The main purpose of these measures is to ensure the watertight integrity of ships' hulls below the freeboard deck.

All assigned load lines must be marked amidships on each side of the ship, together with the deck line. Ships intended for the carriage of timber deck cargo are assigned a smaller freeboard as the deck cargo provides protection against the impact of waves

The Convention includes three annexes.

Annex I is divided into four Chapters:

- Chapter I – General;
- Chapter II – Conditions of assignment of freeboard;
- Chapter III – Freeboards;
- Chapter IV – Special requirements for ships assigned timber freeboards.

Annex II covers Zones, areas and seasonal periods.

Annex III contains certificates, including the International Load Line Certificate.

Various amendments were adopted in 1971, 1975, 1979, and 1983 but they required positive acceptance by two-thirds of Parties and never came into force.

The 1988 Protocol, adopted in November 1988, entered into force on 3 February 2000. As well as harmonising the Convention's survey and certification requirement with those contained in the SOLAS and MARPOL Conventions, the 1988 Protocol revised certain regulations in the technical Annexes to the Load Lines Convention and introduced the tacit amendment procedure, so that amendments adopted will enter into force six months after the deemed date of acceptance unless they are rejected by one-third of Parties. Usually, the date from adoption to deemed acceptance is two years.

The 1995 amendments, adopted under the positive acceptance procedure, did not come into force and were superseded by the 2003 amendments, adopted after entry into force of the 1988 Protocol.

The 2003 amendments were adopted in June 2003 and came into force on 1 January 2005. The amendments, which amount to a comprehensive revision of the technical regulations of the original Load Lines Convention, do not affect the 1966 LL Convention and only apply to those ships flying the flags of States Party to the 1988 LL Protocol. However, the number of Parties to the 1988 Protocol has now risen, such that Parties to the 1988 Protocol now represent more than 90 per cent of world merchant shipping by tonnage, while Parties to the 1966 cover more than 99 per cent of world merchant shipping by tonnage.

The amendments to Annex B to the 1988 Load Lines Protocol include a number of important revisions, in particular to regulations concerning: strength and intact stability of ships; definitions; superstructure and bulkheads; doors; position of hatchways, doorways and ventilators; hatchway coamings; hatch covers; machinery space openings; miscellaneous openings in freeboard and superstructure decks; cargo ports and other similar openings; spurling pipes and cable lockers; side scuttles; windows and skylights; calculation of freeing ports; protection of the crew and means of safe passage for crew; calculation of freeboard; sheer; minimum bow height and reserve buoyancy; and others.

See also:
IMO (International Maritime Organization)

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International Convention on Oil Pollution Preparedness, Response and Co-operation (OPRC)

Adoption by IMO: 30 November 1990; Entry into force: 13 May 1995.

In July 1989, a conference of leading industrial nations in Paris called upon IMO to develop further measures to prevent pollution from ships. This call was endorsed by the IMO Assembly in November of the same year and work began on a draft convention aimed at providing a global framework for international co-operation in combating major incidents or threats of marine pollution.

Parties to the International Convention on Oil Pollution Preparedness, Response and Co-operation (OPRC) are required to establish measures for dealing with pollution incidents, either nationally or in co-operation with other countries.

Ships are required to carry a shipboard oil pollution emergency plan. Operators of offshore units under the jurisdiction of Parties are also required to have oil pollution emergency plans or similar arrangements which must be co-ordinated with national systems for responding promptly and effectively to oil pollution incidents.

Ships are required to report incidents of pollution to coastal authorities and the convention details the actions that are then to be taken. The Convention calls for the establishment of stockpiles of oil spill combating equipment, the holding of oil spill combating exercises and the development of detailed plans for dealing with pollution incidents.

Parties to the convention are required to provide assistance to others in the event of a pollution emergency and provision is made for the reimbursement of any assistance provided.

The Convention provides for IMO to play an important co-ordinating role.

A Protocol to the OPRC relating to hazardous and noxious substances (OPRC-HNS Protocol) was adopted in 2000.

See also:

IMO (International Maritime Organization)

Protocol on Preparedness, Response and Co-operation to pollution Incidents by
Hazardous and Noxious Substances, 2000 (OPRC-HNS Protocol)

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International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW)

Adoption: by IMO 7 July 1978; Entry into force: 28 April 1984; Major revisions in 1995 and 2010.

The 1978 STCW Convention was the first to establish basic requirements on training, certification and watchkeeping for seafarers on an international level. Previously the standards of training, certification and watchkeeping of officers and ratings were established by individual governments, usually without reference to practices in other countries. As a result standards and procedures varied widely, even though shipping is the most international of all industries.

The Convention prescribes minimum standards relating to training, certification and watchkeeping for seafarers which countries are obliged to meet or exceed.

The 1995 amendments, adopted by a Conference, represented a major revision of the Convention, in response to a recognised need to bring the Convention up to date and to respond to critics who pointed out the many vague phrases, such as "to the satisfaction of the Administration", which resulted in different interpretations being made.

The 1995 amendments entered into force on 1 February 1997. One of the major features of the revision was the division of the technical annex into regulations, divided into Chapters as before, and a new STCW Code, to which many technical regulations were transferred. Part A of the Code is mandatory while Part B is recommended.

Dividing the regulations up in this way makes administration easier and it also makes the task of revising and updating them more simple: for procedural and legal reasons there is no need to call a full conference to make changes to Codes.

Another major change was the requirement for Parties to the Convention are required to provide detailed information to IMO concerning administrative measures taken to ensure compliance with the Convention. This represented the first time that IMO had been called upon to act in relation to compliance and implementation – generally, implementation is down to the flag States, while port State control also acts to ensure compliance. Under Chapter I, regulation I/7 of the revised Convention, Parties are required to provide detailed information to IMO concerning administrative measures taken to ensure compliance with the Convention, education and training courses, certification procedures and other factors relevant to implementation. The information is reviewed by panels of competent persons, nominated by Parties to the STCW Convention, who report on their findings to the IMO Secretary-General, who, in turn, reports to the Maritime Safety Committee (MSC) on the Parties which fully comply. The MSC

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then produces a list of "confirmed Parties" in compliance with the STCW Convention.

STCW Convention chapters

Chapter I: General provisions
Chapter II: Master and deck department
Chapter III: Engine department
Chapter IV: Radiocommunication and radio personnel
Chapter V: Special training requirements for personnel on certain types of ships
Chapter VI: Emergency, occupational safety, medical care and survival functions
Chapter VII: Alternative certification
Chapter VIII: Watchkeeping.

The STCW code

The regulations contained in the Convention are supported by sections in the STCW Code. Generally speaking, the Convention contains basic requirements which are then enlarged upon and explained in the Code Part A of the Code is mandatory. The minimum standards of competence required for seagoing personnel are given in detail in a series of tables. Part B of the Code contains recommended guidance which is intended to help Parties implement the Convention. The measures suggested are not mandatory and the examples given are only intended to illustrate how certain Convention requirements may be complied with. However, the recommendations in general represent an approach that has been harmonised by discussions within IMO and consultation with other international organisations.

The **Manila amendments to the STCW Convention and Code** were adopted on 25 June 2010, marking a major revision of the STCW Convention and Code. The 2010 amendments entered into force on 1 January 2012 under the tacit acceptance procedure and are aimed at bringing the Convention and Code up to date with developments since they were initially adopted and to enable them to address issues that are anticipated to emerge in the foreseeable future.

Amongst the amendments adopted, there are a number of important changes to each chapter of the Convention and Code, including:

- Improved measures to prevent fraudulent practices associated with certificates of competency and strengthen the evaluation process (monitoring of Parties' compliance with the Convention);
- Revised requirements on hours of work and rest and new requirements for the prevention of drug and alcohol abuse, as well as updated standards relating to medical fitness standards for seafarers;
- New certification requirements for able seafarers;
- New requirements relating to training in modern technology such as electronic charts and information systems (ECDIS);

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- New requirements for marine environment awareness training and training in leadership and teamwork;
- New training and certification requirements for electro-technical officers;
- Updating of competence requirements for personnel serving on board all types of tankers, including new requirements for personnel serving on liquefied gas tankers;
- New requirements for security training, as well as provisions to ensure that seafarers are properly trained to cope if their ship comes under attack by pirates;
- Introduction of modern training methodology including distance learning and web-based learning;
- New training guidance for personnel serving on board ships operating in polar waters; and
- New training guidance for personnel operating Dynamic Positioning Systems.

See also:
IMO (International Maritime Organization)
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International Convention on Tonnage Measurement of Ships

Adoption by IMO: 23 June 1969; Entry into force: 18 July 1982.

The Convention, adopted by IMO in 1969, was the first successful attempt to introduce a universal tonnage measurement system.

Previously, various systems were used to calculate the tonnage of merchant ships. Although all went back to the method devised by George Moorsom of the British Board of Trade in 1854, there were considerable differences between them and it was recognised that there was a great need for one single international system.

The Convention provides for gross and net tonnages, both of which are calculated independently.

The rules apply to all ships built on or after 18 July 1982 – the date of entry into force – while ships built before that date were allowed to retain their existing tonnage for 12 years after entry into force, or until 18 July 1994.

This phase-in period was intended to ensure that ships were given reasonable economic safeguards, since port and other dues are charged according to ship tonnage. At the same time and as far as possible, the Convention was drafted to ensure that gross and net tonnages calculated under the

new system did not differ too greatly from those calculated under previous methods.

Gross tonnage and net tonnage

The Convention meant a transition from the traditionally used terms gross register tons (grt) and net register tons (nrt) to gross tonnage (GT) and net tonnage (NT).

Gross tonnage forms the basis for manning regulations, safety rules and registration fees. Both gross and net tonnages are used to calculate port dues.

The gross tonnage is a function of the moulded volume of all enclosed spaces of the ship. The net tonnage is produced by a formula which is a function of the moulded volume of all cargo spaces of the ship. The net tonnage shall not be taken as less than 30 per cent of the gross tonnage.

Associated abbreviations:
grt gross register tonnage or gross registered tonnage
gt gross tonnage
nrt net register tonnage or net registered tonnage
nt net tonnage

See also:
IMO (International Maritime Organization)
Ship's dimensions and capacities

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International Maritime Solid Bulk Cargoes (IMSBC) Code

The primary aim of the International Maritime Solid Bulk Cargoes (IMSBC) Code, which replaces the Code of Safe Practice for Solid Bulk Cargoes (BC Code), is to facilitate the safe stowage and shipment of solid bulk cargoes by providing information on the dangers associated with the shipment of certain types of solid bulk cargoes and instructions on the procedures to be adopted when the shipment of solid bulk cargoes is contemplated. The IMSBC Code may be applied from 1 January 2012 on a voluntary basis, anticipating its envisaged entry into force on 1 January 2013, from which date it will be mandatory under the provisions of the SOLAS Convention.

To keep pace with the expansion and progress of industry in recent years, the Code has undergone many changes, including:

- fully updated individual schedules for solid bulk cargoes;
- new individual schedules for such cargoes as distillers dried grains with

solubles, ferrous sulphate heptahydrate, fly ash wet, granular ferrous sulphate, magnesium sulphate fertilizers and wood products – general;
- references to the most recent SOLAS amendments; and
- updated information from the 2010 edition of the IMDG Code.

See also:
International Convention for the Safety of Life at Sea (SOLAS)
IMO (International Maritime Organization)
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Intertanko

Organisation whose members are independent tanker owners and operators of oil and chemical tankers, i.e. non-oil companies and non-state controlled tanker owners, who fulfil the Association's membership criteria. Independent owners operate some 80 per cent of the world's tanker fleet and the vast majority are INTERTANKO members. As of January 2012, the organisation had 235 members whose combined fleet comprises some 3,380 tankers totalling 285 million dwt. INTERTANKO's associate membership stands at some 320 companies with an interest in shipping of oil and chemicals.

INTERTANKO is a forum where the industry meets, policies are discussed and statements are created. It is a valuable source of first-hand information, opinions and guidance. INTERTANKO has a vision of a professional, efficient and respected industry that is dedicated to achieving safe transport, cleaner seas and free competition.

The strong support that INTERTANKO enjoys allows it to speak authoritatively and proactively on behalf of tanker operators at international, regional, national and local level. It is also able to maintain a 21-strong secretariat and a network of 14 committees and four regional panels that coordinate an extensive work programme that comprises more than 50 agenda items. Governments and shipping regulators have taken a closer interest in tanker shipping in recent years. INTERTANKO has responded by establishing, strengthening and maintaining relationships with legislators on all levels, working with them to ensure a fair and equitable distribution of the responsibilities and liabilities involved in carrying oil and chemicals by sea.

Underlining its commitment to representing its members where key decisions are made, INTERTANKO opened offices in Singapore and Washington DC in 1999, in addition to its principal offices in Oslo and London. Within the shipping industry itself, INTERTANKO participates in discussions within the International Maritime Organization (IMO) where they have NGO status, and the International Oil Spill Compensation Fund. In addition, it has consultative status at the United Nations Conference on Trade and Development.

Oil and its derivatives will remain the world's most critical commodity in the foreseeable future and tankers will be needed to distribute it to where it is needed. As long as tankers are vital to this distribution, INTERTANKO will provide leadership in the development and implementation of industry standards and practices, and international regulations for maritime safety and environmental protection.

INTERTANKO is actively involved in a wide range of topics, which include commercial, technical, legal and operational matters. INTERTANKO's direct contact with the members and original sources enables it to select and promulgate the information which is essential to the tanker industry.

INTERTANKO's information and advisory services include its Weekly NEWS, courses, seminars and free access to a range of web-based services. INTERTANKO produces publications, specialising in technical, operational, environmental, documentary and market issues. Members and associate members are also entitled to direct expert opinions from resourceful and experienced lawyers, mariners, naval architects, marine engineers, economists and other specialists within INTERTANKO. Their wide network of contacts routinely benefit directly members and associate members.

Website:
http://www.intertanko.com

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ISM Code

A number of very serious accidents which occurred during the late 1980s were manifestly caused by human errors, with management faults also identified as contributing factors.

Lord Justice Sheen in his inquiry into the loss of the *Herald of Free Enterprise* famously described the management failures as "the disease of sloppiness".

At its sixteenth Assembly in October 1989, IMO adopted resolution A.647(16), Guidelines on Management for the Safe Operation of Ships and for Pollution Prevention.

The purpose of these Guidelines was to provide those responsible for the operation of ships with a framework for the proper development, implementation and assessment of safety and pollution prevention management in accordance with good practice.

The objective was to ensure safety, to prevent human injury or loss of life and to avoid damage to the environment, in particular, the marine environment and to property. The Guidelines were based on general principles and objectives so as to promote the evolution of sound management and operating practices within the industry as a whole.

The Guidelines recognised the importance of the existing international

instruments as the most important means of preventing maritime casualties and pollution of the sea and included sections on management and the importance of a safety and environmental policy.

After some experience in the use of the Guidelines, in 1993 IMO adopted the International Management Code for the Safe Operation of Ships and for Pollution Prevention (the ISM Code).

In 1998, the ISM Code became mandatory.

The Code establishes safety-management objectives and requires a safety management system (SMS) to be established by "the Company", which is defined as the shipowner or any person, such as the manager or bareboat charterer, who has assumed responsibility for operating the ship.

The Company is then required to establish and implement a policy for achieving these objectives. This includes providing the necessary resources and shore-based support.

Every company is expected "to designate a person or persons ashore having direct access to the highest level of management".

The procedures required by the Code should be documented and compiled in a Safety Management Manual, a copy of which should be kept on board.

Amendments to the ISM Code

The ISM Code was amended in December 2000 by resolution MSC.104(73), and these amendments entered into force on 1 July 2002. It was further amended in December 2004 by resolution MSC.179(79) and these amendments entered into force on 1 July 2006. It was further amended in May 2005 by resolution MSC.195(80); these amendments entered into force on 1 January 2009. The ISM Code was also amended in December 2008 by resolution MSC.273(85). This resolution was adopted on 1 January 2010; the amendments entered into force on 1 July 2010.

Development of the Guidelines on implementation of the ISM Code

Recalling resolution A.741(18) by which the Assembly adopted the International Management Code for the Safe Operation of Ships and for Pollution Prevention (International Safety Management (ISM) Code), IMO adopted on 23 November 1995 resolution A.788(19) on Guidelines on the implementation of the International Safety Management (ISM) Code by Administrations.

Noting that the ISM Code was expected, under the provisions of Chapter IX of the International Convention for the Safety of Life at Sea (SOLAS) 1974, to become mandatory for companies operating certain types of ships, as from 1 July 1998, and recognising that an Administration, in establishing that safety standards are being maintained, has a responsibility to ensure that Documents of Compliance have been issued in accordance with the Guidelines, and that there may be a need for Administrations to enter into agreements in respect of issuance of certificates by other Administrations in compliance with Chapter IX of the 1974 SOLAS Convention and in accord-

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ance with resolution A.741(18), IMO recognised further the need for uniform implementation of the ISM Code.

Having considered the recommendation made by the Maritime Safety Committee at its sixty-fifth session and the Marine Environment Protection Committee at its thirty-seventh session, the Assembly adopted the Guidelines on Implementation of the International Safety Management (ISM) Code by Administrations (resolution A.788(19)).

The resolution urged Governments, when implementing the ISM Code, to adhere to the Guidelines, in particular with regard to the validity of the Document of Compliance and the Safety Management Certificate required by the ISM Code and also urged Governments to request the companies concerned to apply for certification under the ISM Code as soon as possible, but not later than 12 months prior to the ISM Code becoming mandatory for ships belonging thereto; to inform the Organization of any difficulties they have experienced in using these Guidelines, so that the Maritime Safety Committee and the Marine Environment Protection Committee could keep the annexed Guidelines under review and to amend them as necessary.

These Guidelines established basic principles for verifying that the Safety Management System (SMS) of a Company responsible for the operation of ships or the SMS for the ship or ships controlled by the company complies with the ISM Code and for the issue and periodical verification of the DOC and SMC. These Guidelines are applicable to Administrations.

Amendments to Guidelines

The Guidelines on implementation of the International Safety Management (ISM) Code by Administrations, resolution A.788(19) were replaced with revised Guidelines, which were adopted by resolution A.913(22) in November 2001 which revoked resolution A.788(19). Further revision of these guidelines resulted in Guidelines on implementation of the International Safety Management (ISM) Code by Administrations adopted by resolution A.1022(26) in December 2001. This resolution revokes resolution A.913(22) with effect from 1 July 2010.

See also:
IMO (International Maritime Organization)

ISPS Code

The International Ship and Port Facility Security Code (ISPS Code) is a comprehensive set of measures to enhance the security of ships and port facilities, developed in response to the perceived threats to ships and port facilities in the wake of the 9/11 attacks in the United States.

The ISPS Code is implemented through Chapter XI-2 Special measures

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to enhance maritime security in the International Convention for the Safety of Life at Sea (SOLAS). The Code has two parts: one mandatory and one recommendatory.

In essence, the Code takes the approach that ensuring the security of ships and port facilities is a risk management activity and that, to determine what security measures are appropriate, an assessment of the risks must be made in each particular case.

The purpose of the Code is to provide a standardised, consistent framework for evaluating risk, enabling governments to offset changes in threat with changes in vulnerability for ships and port facilities through determination of appropriate security levels and corresponding security measures.

The ISPS Code is part of SOLAS so compliance is mandatory for the 148 Contracting Parties to SOLAS.

Only States who are Contracting Governments to SOLAS have a legal obligation to comply with the requirements of the ISPS Code and to submit information to IMO.

Security levels referred to in the ISPS Code

Security level 1: normal – the level at which the ship or port facility normally operates. Security level 1 means the level for which minimum appropriate protective security measures shall be maintained at all times.

Security level 2: heightened – the level applying for as long as there is a heightened risk of a security incident.

Security level 2 means the level for which appropriate additional protective security measures shall be maintained for a period of time as a result of heightened risk of a security incident.

Security level 3: exceptional – the level applying for the period of time when there is the probable or imminent risk of a security incident.

Security level 3 means the level for which further specific protective security measures shall be maintained for a limited period of time when a security incident is probable or imminent, although it may not be possible to identify the specific target.

Setting security level 3 should be an exceptional measure applying only when there is credible information that a security incident is probable or imminent. Security level 3 should only be set for the duration of the identified security threat or actual security incident. While the security levels may change from security level 1, through security level 2 to security level 3, it is also possible that the security levels will change directly from security level 1 to security level 3.

The measures adopted in 2002 include:

Modifications to SOLAS Chapter V (Safety of Navigation) contain a new timetable for the fitting of Automatic Information Systems (AIS). Ships, other than passenger ships and tankers, of 300 gross tonnage and upwards but less than 50,000 gross tonnage, will be required to fit AIS not later than the first safety equipment survey after 1 July 2004 or by 31 December 2004, which-

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ever occurs earlier. Ships fitted with AIS shall maintain AIS in operation at all times "except where international agreements, rules or standards provide for the protection of navigational information".

The existing SOLAS Chapter XI (Special measures to enhance maritime safety) has been re-numbered as Chapter XI-1. Regulation XI-1/3 is modified to require ships' identification numbers to be permanently marked in a visible place either on the ship's hull or superstructure. Passenger ships should carry the marking on a horizontal surface visible from the air. Ships should also be marked with their ID numbers internally.

A new regulation XI-1/5 requires ships to be issued with a Continuous Synopsis Record (CSR) which is intended to provide an on-board record of the history of the ship. The CSR shall be issued by the Administration and shall contain information such as the name of the ship and of the State whose flag the ship is entitled to fly, the date on which the ship was registered with that State, the ship's identification number, the port at which the ship is registered and the name of the registered owner(s) and their registered address. Any changes shall be recorded in the CSR so as to provide updated and current information together with the history of the changes.

New Chapter XI-2 (Special measures to enhance maritime security)

A new Chapter XI-2 (Special measures to enhance maritime security) is added after the renumbered Chapter XI-1.

This chapter applies to passenger ships and cargo ships of 500 gross tonnage and upwards, including high speed craft, mobile offshore drilling units and port facilities serving such ships engaged on international voyages.

Regulation XI-2/2 of the new chapter enshrines the International Ship and Port Facilities Security Code (ISPS Code). Part A of this Code is mandatory and Part B contains guidance as to how best to comply with the mandatory requirements.

Regulation XI-2/3 requires Administrations to set security levels and ensure the provision of security level information to ships entitled to fly their flag. Prior to entering a port, or whilst in a port, within the territory of a Contracting Government, a ship shall comply with the requirements for the security level set by that Contracting Government, if that security level is higher than the security level set by the Administration for that ship.

Regulation XI-2/8 confirms the role of the Master in exercising his professional judgement over decisions necessary to maintain the security of the ship. It says he shall not be constrained by the Company, the charterer or any other person in this respect.

Regulation XI-2/6 requires all ships to be provided with a ship security alert system, according to a strict timetable that will see most vessels fitted by 2004 and the remainder by 2006. When activated, the ship security alert system shall initiate and transmit a ship-to-shore security alert to a competent authority designated by the Administration, identifying the ship, its location and indicating that the security of the ship is under threat or it has been

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compromised. The system will not raise any alarm on-board the ship. The ship security alert system shall be capable of being activated from the navigation bridge and in at least one other location.

Regulation XI-2/10 covers requirements for port facilities, providing among other things for Contracting Governments to ensure that port facility security assessments are carried out and that port facility security plans are developed, implemented and reviewed in accordance with the ISPS Code.

Other regulations in this chapter cover the provision of information to IMO, the control of ships in port (including measures such as the delay, detention, restriction of operations including movement within the port, or expulsion of a ship from port) and the specific responsibility of companies.

The biggest change since 1 July 2004 is that the Contracting Governments to the 1974 SOLAS Convention are able to formally exercise of control over ships in accordance with the provisions of Chapter XI-2 and of the ISPS Code.

At the same time, the Contracting Governments are obliged to address all the objectives and functional requirements of the ISPS Code and to ensure that appropriate security measures and procedures are in place in the port facilities and waterways located within their territory.

The new requirements form the international framework through which Governments, ships and port facilities can co-operate to detect and deter acts which threaten security in the maritime transport sector.

The new regulatory maritime security regime will have a huge impact for those port facilities and ship operators who had not already taken on board the increased threat to maritime security in the current climate. They will need to catch up, according to the rules and guidelines in the ISPS Code.

For those governments and ship operators who have already implemented enhanced security regimes, the ISPS Code formalises and standardises globally the security measures.

The whole idea of the ISPS Code is to reduce the vulnerability of the industry to attack, thus countering the threat and reducing the risk.

There are potential commercial benefits to the maritime industry in implementing the Code. It seems clear that, in the long run, implementation of the Code should provide considerable cost–benefit for the port industry as a whole and for individual ports. By putting in place an effective and compliant security regime, ports will be able to continue to participate fully in global trade and, of course, the potential economic consequences of a major security breach, which might result in disruption or even port closure, are serious indeed.

Ship and port facility security is a risk management activity. As with all risk management efforts, the most effective course of action is to eliminate the source of the threat. Eliminating the source of the threat, which in this case is those that would commit acts of terrorism or otherwise threaten the security of ships or of the port facilities, is essentially a Government function. One hundred per cent security is an aim but this cannot be guaranteed

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– hence the risk reduction approach to lessen possibilities to the lowest practicable.

In order to determine what security measures are appropriate, Governments must assess the threat and evaluate the risk of a potential unlawful act. The ISPS Code provides a standardised, consistent framework for managing risk and permitting the meaningful exchange and evaluation of information between Contracting Governments, companies, port facilities, and ships.

Because each ship and each port facility is subject to different threats, the method by which they will meet the specific requirements of this ISPS Code will be determined and eventually be approved by the Administration or Contracting Government, as the case may be.

In order to communicate the threat at a port facility or for a ship and to initiate the appropriate response actions the Contracting Government must set the appropriate security level. The security level creates a link between the ship and the port facility, since it triggers the implementation of appropriate security measures for the ship and for the port facility.

As threat increases, the only logical counteraction is to reduce vulnerability. This ISPS Code provides several ways to reduce vulnerabilities. Each ship and each port facility will have to determine the measures needed to intensify its security measures to appropriately offset the threat by reducing its vulnerability.

After 1 July 2004, ships and port facilities will be required to demonstrate that they are implementing proper and standardised risk management procedures.

The ISPS Code requires governments to gather and assess information with respect to security threats and exchange such information with other Contracting Governments. Shipboard and port facility personnel need to be aware of security threats and needs to report security concerns to the appropriate authorities for their assessment. Governments need to communicate security related information to ships and port facilities. Therefore, in effect, we are talking about establishing an entirely new culture amongst those involved in the day-to-day running of the shipping and port industry.

Ships which do not comply with the ISPS Code requirements should not be issued with International Ship Security Certificates (or after 1 July 2004, if they qualify, with an Interim International Ship Security Certificate).

A ship, which is required to comply with the requirements of Chapter XI-2 and the ISPS Code, is subject to control and compliance measures when in a port of another Contracting Government by officers duly authorised by that government.

Associated abbreviation:
ISPS International code for the Ship and Port Facility Security

See also:
IMO (International Maritime Organization)

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ISSA (International Ship Suppliers & Services Association)

ISSA is the international association representing nearly 2,000 ship suppliers throughout the world.

The Association has 43 national associations of ship suppliers as full ISSA members and associate members in 52 other countries where no national association exists. ISSA members have to undergo a rigorous vetting procedure before gaining admittance. Members and the goods and services they offer can be found in every major port in the world.

The Association was formed in 1955 and celebrated its Golden Jubilee in 2005 of half a century of service to the maritime industry.

Ship supply is recognised as very much a "relationship" business. To ensure fair trading and best practice ISSA has developed a set of conditions, which form the basis of any supply contract.

To strengthen the relationship between ship supplier and buyer still further, ISSA drew up a Code of Ethics, which Members abide by to ensure the highest standards are applied in day-to-day operations.

ISSA publishes a magazine called "The Ship Supplier" at regular intervals containing news, views and relevant articles to the vibrant world of ship supply. The ISSA Ship Stores Catalogue is ISSA's premier publication. Every conceivable item needed on board can be found.

One of ISSA's declared aims is to provide a better understanding between buyers and suppliers through consultation and communication.

ISSA enjoys Non-Governmental Organization (NGO) status with both the International Maritime Organization (IMO) and UNCTAD and takes part in promoting e-commerce through membership of MeCA (Maritime e-Commerce Association) and the Baltic Exchange.

Website:
http://www.shipsupply.org

ITF (International Transport Workers' Federation)

The ITF has been helping seafarers since 1896 and today represents the interests of seafarers worldwide, of whom over 600,000 are members of ITF affiliated unions. The ITF is working to improve conditions for seafarers of all nationalities and to ensure adequate regulation of the shipping industry to protect the interests and rights of the workers. The ITF helps crews regardless of their nationality or the flag of their ship.

ITF unions are leading the fight for acceptable standards for men and women working in ports and docks around the world – one of the most haz-

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ardous working environments there is. This work is known as the Ports of Convenience Campaign. A port of convenience is a port or terminal where health and safety standards or working conditions are below what's considered acceptable by ITF and its affiliated unions.

Ports are key hubs in the global freight distribution system at the core of the global economy. Port and dock workers provide a vital service in supporting the strategic supply chains necessary to multinational companies. The approach of the ITF dockers' section is to ensure the 350,000 workers it represents can benefit from their potential power to fight for rights and deliver fair treatment for port workers – and for all workers, internationally.

All ITF dockers' unions have a right to participate in the dockers' section, which develops and coordinates international trade union policies via its schedule of meetings and activities.

The ITF dockers' section represents:

- Unions organising those directly involved in cargo handling.
- Unions indirectly involved in cargo activities (such as those with members employed by port managers, agencies and freight forwarders).
- Unions representing some workers employed by the state, city or other authority as well as by private companies in permanent or other employment.

The section's priorities are to fight for acceptable labour and safety standards under the Ports of Convenience (POC) work programme through organising to increase union strength in ports around the world.

Website:
http://www.itfglobal.org
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Laytime

Laytime is the time allowed by the shipowner to the voyage charterer or bill of lading holder in which to load and/or discharge the cargo. It is expressed as a number of days or hours or as a number of tonnes per day (*see further below*). These days are known as laydays. Laytime itself is often abbreviated to **time**, especially in the expressions **time to count** or **time does not count**, both of which are used to describe periods during which time accumulates or not, as the case may be, in the calculation of demurrage or despatch.

The charter-party normally contains provisions for:

- the period during which the shipowner must present the ship;
- when laytime commences;
- periods when laytime does not count, for instance during bad weather, weekends or holidays;

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- when laytime is exceeded, when demurrage or damages for detention become payable;
- how laytime is to be calculated, such that demurrage or despatch may be computed; and
- when laytime has not been fully used, when despatch may be payable.

The shipowner (or master on his behalf) must **tender notice of readiness** to the charterer that the ship has arrived at the port of loading and is ready to load. There is normally a provision in the charter-party for the **commencement of laytime**, which is often at a certain hour after notice of readiness has been tendered by the master. The period during which the owner must tender this notice is called **laydays cancelling**. This period is expressed as two dates, for example, laydays 25 March cancelling 2 April, or, when abbreviated to **laycan**, laycan 25 March/2 April. The charterer is not obliged to commence loading until the first of these dates if the ship arrives earlier and may have the option of cancelling the charter if the ship arrives after the second of the dates, known as the **cancelling date**.

If the ship is likely to be delayed in reaching the loading port, the shipowner may ask the charterer **to extend the cancelling date**. If the charterer agrees, the contract is amended accordingly. If not, the charterer may have the option to cancel the charter either before the cancelling date by mutual consent or after the cancelling date within a time specified in the charter-party. Alternatively, the shipowner may be obliged to present his ship at the loading port, however late.

Different charter-parties have different provisions for the commencement of laytime when the ship has arrived at the port and has tendered notice of readiness: **whether in berth or not** means that laytime will start to count whether or not the ship has reached the berth; in the case of a provision **whether in port or not**, the ship does not need to be within the port limits – she need only arrive at the anchorage; **whether in free pratique or not** will mean that laytime will start to count whether or not pratique has been granted by the authorities.

Free time is the period between the time a ship is ready to load or discharge, having given notice of readiness and the time laytime commences in accordance with the charter-party. During this time, the charterer is not obliged to load or discharge. It is important to make a provision in the charter-party for the effect on laytime should the charterer or receiver elect to load or discharge during this period.

Calculation of laytime

It is the responsibility of the ship's agent at the loading and discharging ports to prepare a **statement of facts**, detailing the dates and times of arrival of the ship and the commencement and completion of loading and discharging. This statement also details:

- the quantity of cargo loaded or discharged each day;
- normal working hours at the port;

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- the hours worked and the hours stopped with the reasons for the stoppages, such as bad weather, a strike or breakdown of equipment;
- the number of gangs; and
- any relevant remarks.

This document, sometimes referred to as a **port log**, forms the basis for the **time sheet**, also completed by the agent. This is a similar document to the statement of facts, but its purpose is to correlate the time used with the laytime allowed. It has a section in which laytime is computed and this provides the parties with the necessary information to compute demurrage or despatch.

BIMCO (the Baltic and International Maritime Council) publishes two standard statements of facts, one all-purpose, the other for oil and chemical tank vessels. This latter type has provision for commencement of ballasting and deballasting, connection and disconnection of hoses and other operations in which these vessels are involved. Both types of statements are in two formats: short form and long form, the long form being for long and complex cargo operations. BIMCO also publishes a standard time sheet (short form and long form formats). Both the statement of facts and the time sheet are recommended both by BIMCO and by the Federation of National Associations of Ship Brokers and Agents (FONASBA).

Laytime can be expressed as a number of **tonnes per day** or a number of **workable hatches per day**. In the latter case, it is necessary to divide the quantity of cargo in the largest hatch by the quantity per workable hatch per day as stipulated in the charter-party. Difficulties of interpretation may arise in the calculation of laytime when expressed in this way, particularly if the ship has hatches capable of being worked by two gangs simultaneously. A workable hatch is also known as a **working hatch**.

What constitutes a day needs to be made clear in order to avoid disputes. A **working day** is a day when normal working is carried out in a port. A **working day of 24 hours** is a period of time which contains 24 normal working hours. If it is the custom of a port that eight hours represents the normal working time per day, then a working day of 24 hours would be considered as three laydays. A **working day of 24 consecutive hours** equates to one layday. The word consecutive was introduced after it was ruled in court that a working day of 24 hours might be considered as more than one layday according to the length of normal working time each day in a port. **Running days** are consecutive calendar days of 24 hours including weekends and holidays.

Laytime may be reversible, non-reversible, averaged or all purposes, as the case may be, for the purpose of calculating demurrage or despatch. If **reversible**, the charterer may, if he so wishes, add the time for loading to the time for discharging. If **non-reversible**, these times must be treated separately.

When laytime may be **averaged**, the charterer is allowed to offset the time used in loading cargo against that used in discharging. If, for example, a charterer earns five days' despatch at the loading port but there is a period of three

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days' demurrage at the discharging port, the charterer has a net claim for two days' despatch money.

If despatch money is to be calculated on **working time saved**, the charterer can deduct laytime used from lay time allowed. If, for example, a charter-party provides for six laydays for loading and the charterer uses 2½ days, he is entitled to 3½ days' despatch money. This is also known as **laytime saved**. If, on the other hand, despatch is to be calculated on **all time saved**, time used for loading and/or discharging, as the case may be, is deducted from a theoretical time up to the expiry of laytime which includes excepted periods. For example, a charterer may be allowed 10 days for loading. He calculates the expiry of laytime taking account of excepted periods, such as weekends, and arrives at a theoretical number of calendar days, say 15. Should he use only four days to load, he is entitled to 11 days' despatch money.

If laytime is **all purposes**, or simply **purposes**, it is expressed as one figure, for example 72 hours all purposes, representing a combined time for loading and discharging.

Charter-parties normally contain provisions, varying from one contract to the next, for periods during which any time used for loading or discharging does not count for the purpose of calculating demurrage or despatch, other than by prior agreement. Such periods are known as **excepted periods**. These periods must be expressly stated in the charter-party and may include weekends, public holidays, bad weather and time used shifting from anchorage to berth. It should be noted that, once laytime has expired, time counts during excepted periods in the calculation of demurrage. Time during excepted periods is sometimes termed **suspension of laytime**. **Actual time used to count** is a term in a voyage charter-party which stipulates that, if used, all time used will count as laytime. This term is often preceded by "if used".

Whether, and to what extent, time counts during weekends and public holidays depends on the specific provision. Variations are:

- Saturdays, Sundays and holidays excepted (or excluded);
- Saturdays, Sundays and holidays included;
- Sundays and holidays included;
- Sundays and holidays excepted (or excluded); and
- Fridays and holidays excepted (or excluded). This applies to those countries where Friday is the Sabbath, notably in the Middle East.

Bad weather may also be an excepted period. A **weather working day** is a day on which work is normally carried out at a port and which counts as laytime unless loading or discharging ceases because of bad weather, or would have ceased had work been in progress. The difference between this and **weather permitting** is that, in the latter case, laytime stops only when work stops as a result of bad weather.

Excepted periods, when specified in the charter-party, may be accompanied by the term **unless used**. In this case, time will count if used to the

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extent specified in the charter-party, sometimes all time, sometimes half. Alternatively, the charter-party will specify that time will not count during an excepted period **even if used**.

Associated terms:
Average (laytime) (to)
Extension of the cancelling date

Associated abbreviations:
atutc actual time used to count
eiu even if used
fhex Fridays and holidays excepted (or excluded)
iu if used
1/c laycan
shex Sundays and holidays excepted (or excluded)
shinc Sundays and holidays included
sshex Saturdays, Sundays and holidays excepted (or excluded)
wibon whether in berth or not
wifpon whether in free pratique or not
wipon whether in port or not
wp weather permitting
wwd weather working day

See also:
Demurrage
Penalties

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Liner ancillary charges

There are a large number of ancillary charges with a wide range of purposes. The charges below represent a selection:

Documentation fee or **documentation charge** or **documentation surcharge** is a charge, normally a lump sum, issued by a shipping line for issuing a bill of lading.

Equipment positioning charge or **equipment re-positioning charge** is levied by a shipping line on a shipper for positioning equipment, normally containers, at a place where there is a heavy demand. Also referred to as empty equipment surcharge.

IMO surcharge is an extra charge levied by a shipping line or freight forwarder for carrying hazardous goods. This charge may vary according to the particular class of dangerous goods. Also known as **IMO additional**.

ISPS surcharge is levied by a shipping line to cover the extra costs incurred as a result of terminals implementing the security requirements of

the International Code for the Security of Ships and Port Facilities (ISPS). This surcharge is sometimes known simply as the ISPS.

Panama Canal surcharge is an extra charge applied to freight rates by shipping lines as a result of increases in Panama Canal tolls. Generally expressed as an amount per freight ton or per container. Also known simply as a **Panama surcharge**.

Port security surcharge is an extra charge, expressed as a percentage of the freight or an amount per container, per vehicle or per freight ton, charged by shipping lines to recover the cost of increased security measures incurred at US and other ports. Also known as a **security surcharge**. Abbreviated to PSS.

Reefer (fuel) consumption surcharge Surcharge levied by a shipping line to reflect the additional fuel consumed by refrigerated containers (reefers). It varies according to fluctuations in the cost of fuel. Abbreviated to RCS and RFCS.

Associated abbreviations:
ISPS International Code for the Security of Ships and Port Facilities
pcs Panama Canal surcharge
pss port security surcharge
rcs reefer consumption surcharge
rfcs reefer fuel consumption surcharge

See also:
Breakbulk liner ancillary charges
Container ancillary charges

Liner and conference tariffs

The **liner tariff** or **freight tariff**, or **conference tariff** in the case of a liner conference, is a schedule published by a shipping line (or conference as the case may be) containing freight rates for a variety of commodities likely to be carried by the line. Tariffs are produced by shipping lines and by conference **secretariats** on behalf of the member lines of a conference. Some tariffs contain the lines' rules, but sometimes these are published in a separate document. The rules contain the general terms and conditions of the shipping line or conference.

The liner tariff is the bible of shipping lines and liner conferences and is very much the framework within which shippers and shipping lines carry on business together. The essentials contained in the tariff are:

- a list of the member lines (in the case of a conference);
- the geographical area covered;

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- an index to the tariff classes;
- the range of freight rates;
- measurement rules (how freight is calculated on differently shaped cargoes);
- pallet rules (how freight is calculated on cargo shipped on pallets);
- heavy lift charges;
- long length cargo additional charges; and
- tariff currency.

One of the pages of the conference tariff will list all the shipping lines who are members of that conference. It is important for a shipper tied by a contract or agreement of one sort or another to know, when booking his cargo, which are **member lines** and which are **non-conference lines**. This may not be as straightforward as it seems if a conference has, say, over 30 member lines.

Shipping is an international business in which vessels of many nationalities compete to carry cargo. Shipping lines incur costs and derive revenue in different currencies according to the trades in which they are involved. It is for convenience therefore that the lines elect to quote freight rates in a single currency, the **tariff currency**. By far the most common tariff currency worldwide is the US Dollar, a traditionally stable currency and one in which some costs such as fuel and charter rates are normally expressed. Tariffs can be expressed in any currency and even artificial currencies such as the ECU (European Currency Unit) have been used.

Mainly because the tariff is expressed in, for instance, dollars does not mean that freight is paid in that currency. Very often, freight is converted to, and paid in, the local currency. Various elements of the contract with the shipping line are normally both quoted and paid in the local currency, for example, inland haulage and terminal handling charges or FOB charges.

Every commodity likely to be carried is listed in alphabetical order and each is placed in a category known as a **class** or **tariff name** corresponding to a rate of freight. Most tariffs contain listings of hundreds of different commodities, the exact number and precise description of which vary from one tariff to another according to past experience of each line or conference. It is normally both impractical and unnecessary for every one of the many commodities to have a different freight rate and so frequently they are grouped together into a relatively small number of classes. The reason for having classes and different freight rates is that these reflect the cost of handling and the varying risks which the shipping lines take on when carrying goods with wide-ranging values, shapes, sizes and susceptibilities to damage.

The class numbers are set out on separate pages in the tariff together with their associated freight rates. This method is preferable to putting a freight rate against every commodity in the tariff since every page would need to be reprinted each time the rates changed. Freight on less than container load and breakbulk shipments is generally payable per tonne (1,000 kilogrammes) or per cubic metre, whichever produces the greater revenue for the shipping line. Full container load rates are normally per 20-foot general purpose container.

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The method of calculating rates for 40-foot containers will either be found on the same tariff page as the rates for 20-foot containers or, if not, then on a nearby page. Very often, rates for 40-foot boxes are double those of 20-footers (note the colloquialisms). If the goods require shipment in a special container, such as a refrigerated or open top container, then an additional charge may apply. A list of these special containers, together with the associated charge, appears elsewhere in the tariff.

Liner tariffs should contain every commodity likely to be carried but it will be appreciated that, with the large number of products, a particular commodity, or variation, may not appear in the tariff. Alternatively, the definition provided by the shipper may not coincide with any tariff entry. To provide for this eventuality, tariffs have additional categories, variously known as **unenumerated**, **not otherwise specified** and **not otherwise enumerated**. A good example of the way in which this works is with machinery: the tariff may have any number of entries for specific items of machinery, such as pile drivers or welding machines, but if the piece of machinery which you happen to be shipping is not listed, the solution is for the shipping line to class it as machinery and Machines NOS (or NOE or equivalent, according to the particular tariff).

Because of the imprecision of this category and the need for there to be no upward limit on the value of goods so shipped (to ensure that all unforeseen goods can be included), the rate is generally higher than the rates for specified commodities. For this reason, it is important for the shipper to discuss the description of the goods with the shipping line to see whether they are, in fact, NOS or whether they fit into one of the enumerated categories.

Tariffs often have a number of classes or categories each of which consists of a single freight rate and a group of commodities to which that rate applies. The classes are numbered for ease of use and may include the suffix W or M denoting that the freight is payable on the weight or measurement respectively. Some tariffs have only one freight rate, known as **freight all kinds**, which as its name suggests, is charged irrespective of the commodity.

Shipping lines must be prepared to carry cargoes of different shapes and sizes. This creates difficulties of stowage, particularly for the breakbulk lines, but the question here is how unusually shaped cargoes are freighted. Shipping lines have devised rules, known as **measurement rules**, for determining the measurement of goods. Knowing the cubic measurement is necessary either when the freight rate is payable on this basis, that is per cubic metre, or when it is payable on the basis of weight or measurement (per tonne or cubic metre, whichever produces the greatest revenue). In this case, it is necessary to have an agreed method of calculating the measurement.

Possibly the easiest formula is:

extreme length x extreme width x extreme height.

Most tariffs apply this formula to each piece or package supplied by each shipper. This presents no difficulties when the cargo has no projections of any sort. Thus a crate 3 metres long by 1.5 metres wide by 1.5 metres high measures 6.75 cubic metres. However, different tariffs have different approaches to

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projections and, in some cases, the calculation depends on the nature of the projection. Essentially, many tariffs do not count projections which assist in the handling of the goods. These include:

- hooks
- eyes
- lugs
- handles
- rings
- skids and runners.

Disagreements do occur sometimes when cargoes have projections which do not fall into the category of lifting or handling aids. For example, a shipper supplies a number of metal bars strapped together into a bundle with all the bars measuring 30 feet long except for one at 40 feet. Some shipping lines take the view that the whole bundle should be measured on the basis that the overall length is 40 feet. This might be justified if the shipping line were unable to make use of the resulting space, known as broken stowage.

Tariffs also normally specify how cargoes which are not square are to be measured. Such cargoes include barrels and cylindrical items.

Heavy lifts and long lengths will also be dealt with, with additional charges specified, depending on the exact dimensions. *These are explained elsewhere in this book*.

Every so often, a line or conference decides to increase all the rates in its tariff. This is known as a **general rate increase**. How frequently this happens is a function of the stability of market conditions, movements in costs and the forces of competition. While in some trades, the rates may not have increased for several years, in others there may be more than one increase in the space of one year. Both these examples are perhaps the exceptions as, in many trades, increases are on an annual basis.

According to the custom of each trade, notice of a general rate increase is given to shippers. It is the extent of the notice and the way in which it is announced which may vary; commonly, a minimum of 30 days' notice is given of rate increases. In most cases, notice of an increase is published in the shipping press, advising the amount and effective date. General rate increases can take the form of a monetary increase per freight ton or per container or a percentage to be applied to all tariff rates. In some instances, it is a combination of the two types.

Base freight rates in the tariff may be raised by means of a general rate increase. There are periods when rates may remain unchanged, or even fall, as a result of conditions in a particular trade. When the opportunity arises, the conference may impose a **rate restoration** with a view to bringing rates back to previous levels.

Associated abbreviations:
ECU European Currency Unit

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fak freight all kinds
fcl full container load
gri general rate increase
lcl less than container load
noe not otherwise enumerated
nos not otherwise specified

See also:
Container ancillary charges
Freight
Liner surcharges
Shipping

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Liner contracts

The basic contract between a shipper and a carrier is one which covers a one-off shipment. It is normally evidenced by a bill of lading. The contract starts with a **booking**, a reservation made by a shipper or his agent with a carrier for the carriage of certain defined goods between defined places. The carrier normally issues a booking confirmation or booking note.

Loyalty is a method which conferences use to attract cargoes and to keep shippers, to a greater or lesser degree, from using the services of competitors.

The **deferred rebate** system is the oldest of the methods used by conferences to encourage loyalty from shippers. It is an agreement whereby the shipper is entitled to a rebate from the freight for shipping all of his goods destined for places served by a conference on the ships of the lines who are members of that conference. The rebate applies to shipments made over a specific period of time and is deferred for a further period of time before it is paid, normally several months after the date of shipment. The level of the rebate can vary from conference to conference but typically it is 10 per cent, calculated on the basic freight rate, that is to say the rate before the application of surcharges and any extras. The deferred rebate has largely disappeared following the US Shipping Act and the abolition of conferences in the European Union.

The shipper is effectively tied to the conference for the combined period of shipment and deferment, for if he ships any goods to one of the places served by the conference on a non-conference ship at any time before receiving his accumulated rebate, he stands to forfeit the entire amount. The only exception to this is when the shipper obtains a **dispensation** from the conference to use an independent line. This situation tends to arise only infrequently, for instance when none of the member lines is able to carry a particular cargo because of its shape or size.

A **loyalty contract** is a more formal arrangement than the deferred rebate

system in that a shipper signs a document stating that he will confine shipment of all the goods in question to vessels of member lines in return for a level of service and a discount, known as a **contractor's rebate**, or a special freight rate. This is also known as an **immediate rebate** since it is deducted from the freight at the time the freight is payable. Non-contractors might be entitled to a deferred rebate which is payable at some agreed time, provided that the shipper does not ship any cargoes during this period with a non-conference line to any destination served by the conference. Like the deferred rebate, the immediate rebate is calculated on the base rate of freight. The level is often 9.5 per cent, although it too can vary from conference to conference.

Shipment by a **contractor** (the name given to a shipper who signs a loyalty contract) on a non-conference vessel without the dispensation referred to above is considered a breach of contract. The penalty for such a breach is set out in the written contract, often damages for loss of expected business payable to member lines.

One area of contention arises when goods supplied by a contractor are sold on an ex-works, free alongside or free on board basis and shipped by the buyer on a non-conference vessel. Some conferences have viewed this as a breach of the loyalty contract on the part of the supplier.

Traditionally conferences have insisted on 100 per cent loyalty. There is a school of thought that this so inhibits competition from independent lines that something less than 100 per cent should prevail, allowing a measure of flexibility to shippers to use non-conference operators for a relatively small proportion of their shipments. In recent years, different percentages of loyalty have emerged for discussion, the most popular being 70 per cent although it is widely felt that such an arrangement would be at best difficult to police. In different countries, antitrust legislation deals differently with the notion of 100 per cent loyalty. In Canada, for example, conferences may not insist on it, whereas in the USA, it is possible, although such contracts do not enjoy the protection of antitrust legislation.

A **dual rate contract** is a system whereby a liner conference applies the same and conditions to all shipments but whose tariff contains two sets of rates: one level for shippers who undertake to ship all, or an agreed amount, of their cargo on conference line ships and a higher rate for all other shippers.

Other types of contract include the **service agreement** or **service contract**. This is an agreement in which the shipper undertakes to ship all of his cargo, or some agreed amount or percentage, as the case may be, with a specific carrier, or on conference line ships where conferences still operate, for a specific period in return for an agreed level of freight and level of service. Some contracts require the shipper to achieve a minimum quantity of cargo over the agreed period. In the USA, carriers are required by law to register service contracts with the Federal Maritime Commission, with the exception of contracts involving exempt commodities, of which there are a small number. The essential terms of the service contract are made available to the public, although rates are kept confidential.

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Liner contracts

The service contract is a more recent development in the history of shipper/shipping line arrangements. It is worth making a comparison between this arrangement and traditional loyalty:

- cargo – in a service contract the shipper is required to commit a certain minimum quantity which could be in tonnes or could be a certain number of containers. This is known as a **minimum quantity commitment**. Assuming the shipper is able to make reasonably accurate forecasts, he can contract for the carriage of a certain percentage of his anticipated shipments, opting to keep some of his cargo for shipment by other lines;
- area – since the service contract is specific in respect of the cargoes involved, the shipper can restrict his involvement with the line or conference to certain destinations only;
- period – traditional rating has seen freight rates capable of being increased simply after a notice period, often after 30 days. This has in some cases meant more than one increase in the space of a year and, perhaps more importantly, an element of uncertainty as to the duration of the rates. The service contract, on the other hand, is designed to be valid for a specific period, often one year; and
- service – by virtue of a quantity being specified, the line or conference is more aware of the level of service necessary to satisfy the shipper. In particular, the shipper will expect the lines to have sufficient space to accommodate the anticipated flow of cargo. Additionally, factors such as transit times and port rotation may be agreed.

In return, the lines may be entitled to damages if the shipper fails to meet the minimum quantity set out in the contract. These may be liquidated damages, that is, agreed in advance, as it may be difficult to quantify actual damages.

A discount, known as a **volume-related discount**, is often granted where a shipper achieves certain target figures for cargo shipped. This arrangement is different to the service contract which calls for a minimum quantity. In the volume-related arrangement, the shipper is given several rates, reducing as the quantity shipped increases. Thus on the one hand, the shipper has flexibility in not being committed to the one line or conference but on the other hand, he has the real incentive of a lower freight rate the more he ships with that line or conference.

Associated abbreviations:
fas free alongside
fob free on board
mqc minimum quantity commitment

See also:
Liner shipping – how it is structured

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Liner ship positions

Shipping lines advertise primarily by means of a **sailing schedule**. This is a printed list of current and future sailings and contains, typically, the names of the ships, receiving dates (*see below*) and sailing dates against each of the load ports and estimated arrival dates at the discharge ports. It also contains the names and telephone numbers of the line's agents for enquiries, bookings and documentation. Each departure often has a **voyage number** and this is shown on the schedule: many shipping lines employ the same ships again and again between the same ports and distinguish one voyage from another by means of a sequential number, for example one and up. This voyage number is used on correspondence as a virtual extension to the ship's name.

The ship's **itinerary** is, effectively, that portion of the sailing schedule which contains a list of all the ports which she calls at on a particular voyage to load and discharge cargo, together with her ETAs and ETSs. The rotation is the sequence in which the ship calls at these ports.

The sailing schedule might take the form of an advertisement in the trade press; alternatively, it may be a **sailing card**, literally a card with the schedule printed on, which may be a looseleaf insert in a newspaper or may be sent to the shipping line's customers. More recently, schedules are made available electronically, for example on the internet.

At the time when the sailing schedule is published, the shipping line may not know which ships will perform all the voyages specified, especially the ones in the schedule which are furthest into the future. Against the vessel name they may show a **vessel TBN (to be nominated)** or a **vessel TBA (to be advised)**, or simply a **TBN** or a **TBA**. In the case of a parcel service, the line may advertise a TBN and charter in a (suitable) ship only once the quantity of cargo is known.

The date when the vessel is expected at a port or place, for example the load port or the discharge port, is the **ETA (estimated time of arrival)**. She may **come forward**, have an estimated date of arrival which is earlier than previously given, or **go back** (alternatively **drop back**) with an estimated date later than previously given.

Once the ship is in the load port and on the loading berth, her **receiving dates** are two inclusive dates between which she can receive cargo for loading. These dates are advertised by the shipping line or its agent. The final date for delivering cargo is the **closing date**, when the ship is said **to close**. Cargo booked but arriving after the ship closes is ordinarily not loaded and is said to be shut out or short shipped (*see also* **Tally (to)**).

Shippers may well be interested in the ship's **ETD**, **estimated time of departure** and **ETS**, **estimated time of sailing** as well as her ETA at the discharge port, so that they can keep their customers advised.

Associated abbreviations:

v or **voy** voyage

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Associated term:
nomination designation of a specific ship for a particular voyage by the shipowner

Liner shipping – how it is structured

Conferences

Liner conferences, also referred to as **freight conferences** or **shipping conferences** or simply **conferences**, consist of two or more shipping lines operating a service in common between designated geographical areas, such as Australia to the Far East, generally in one direction only, for example, eastbound. The lines, known as **member lines**, agree a set of freight rates and any special rates for shippers and each line charges the same as the others. The ships used are of types suitable for the trade. Unlike tramp shipping where freight rates are a function of daily supply and demand, conference rates are relatively stable.

Lines in a conference are governed by the rules of membership which may include loading rights, discharging rights and pooling of cargo. **Loading rights** and **discharging rights** are authorisations granted by all the member lines to a particular member line to load or discharge cargo, as the case may be, on a regular basis at a certain port, coastline or country. **Pooling** is the sharing of cargo or the profit or loss from freight by member lines.

Conferences can be open or closed. A **closed conference** is one in which the member lines vote on the admission of a new line. The purpose of this is to restrict the number of ships in a particular trade. An **open conference** is one which does not require such a vote.

One of the principal functions of the conference is to consult with shippers on all matters of mutual interest, including levels of freight rates and surcharges.

Conferences are administered by **secretariats** who co-ordinate activities on behalf of the member lines. Functions include publishing a common tariff, called a freight tariff or liner tariff and periodic amendments to it, keeping shippers informed of proposed changes to the level of surcharges and receiving requests from shippers for special freight rates and conveying the responses and offers of the lines.

Conference lines do not necessarily have the monopoly on their particular trade routes: other shipping lines may also operate on the same route but choose not to become a member of the conference, generally in order to have the freedom to set different, often lower, freight rates. Such a line is termed an **independent line**, a **non-conference line** or an **outsider**. In the past, outsiders have had agreements with conferences covering the level of service provided, particularly in respect of the freight rates which they offer to ship-

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pers. These operators were known as **tolerated outsiders**. Shippers were allowed by the conference to ship cargo in ships operated by tolerated outsiders without infringing their loyalty contract.

Conferences have been abolished in certain parts of the world, notably the EU and the USA, as the setting of common rates was viewed as price fixing and hence anti-competitive. They still exist elsewhere in the world and, in those places, are still considered to be a stabilising effect on shipping.

Other groupings

A **consortium** (plural consortia) is a group of shipping lines, sometimes members of a liner conference, who pool their ships and other resources, such as terminals, to benefit from the economies of scale and provide a combined service in a particular trade. In Europe, where the block exemption from the competition rules was withdrawn from liner conferences, it was maintained for consortia provided that such a grouping did not eliminate competition. The word consortium is sometimes used synonymously with alliance (*see under*) although the distinction is sometimes made between the two that an alliance is a pooling of resources other than the ships themselves. Consortia, other than those whose purpose is price fixing, are exempted from Article 81 of the EC Treaty's ban on restrictive business practices.

Alliances, sometimes termed **strategic alliances**, are the most recent form of grouping. They are similar to consortia in that they share resources, facilities and equipment, but whereas consortia relate to a particular trade, alliances are multi-trade or global. They are not covered by the block exemption given to conferences or consortia.

Vessel sharing agreements are agreements reached between two or more shipping lines whereby they have a common schedule making use of the ships of both companies. The purpose of such an agreement is to reduce competition caused by overtonnaging on a given trade. Rates and surcharges charged by different operators on the same vessel do not have to be the same and may not be allowed to be the same in parts of the world where this would be viewed as price fixing. Such an agreement is also referred to as a **slot agreement**. Ship operators who share vessels are sometimes referred to as **co-loaders**.

Discussion agreements, sometimes described as **stabilisation agreements**, are non-binding groupings of lines who collaborate for the purpose of discussing trade factors and recommending freight rate levels, in particular the stabilisation of rates and recommendations on surcharges, although they do not actually set rates.

Recent **mergers and acquisitions** of shipping companies have produced large groupings of lines. On the one hand, they produce economies of scale but, on the other hand, they tend to reduce competition.

Associated abbreviation:
vsa vessel sharing agreement

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See also:
Liner contracts
Liner shipping – trades

Liner shipping – trades

Traditionally, liner services operate between ports in an individual **trade**, that is, between ports of loading in a particular country or a particular coastline or ports within a range, and similarly defined ports of discharging. This is sometimes called a **pendulum service**. A route used by a pendulum service is a **pendulum route**. In cases where the ships load or discharge at more than one port, the distance is generally not great between the first and last port of loading (and between the first and last port of discharging) in relation to the ocean crossing. More and more, especially in container trades, ports are divided into main ports, outports and feeder ports. **Main ports** are ports called at regularly; these have a wide range of facilities and can often accommodate a large number of ships. Often they become main ports because of their geographical position combined with a good inland transport infrastructure which makes them suitable for cargoes coming from, or going to, a number of inland points. The increase in size of ships in recent years has also limited the number of ports which can be served, often a question of draught. **Outports** are ports served infrequently or by transhipment. These ports tend not to have sufficient cargo to warrant a regular call. **Feeder ports** are ports which have regular cargoes but these may be insufficient to warrant a call by a deep sea vessel because of an insufficient depth of water or length of berth or inadequate cranage. These are now generally known as **hub and spoke services**, where the main port is the hub and the feeder ports are the spokes. In this case, the shipping line will provide a **feeder ship**, often simply called a **feeder**, normally a smaller ship which takes cargo to and from the nearest main port. Where a ship is only prepared to call at a port when there is a minimum amount of cargo to load or discharge, the shipping line will designate it an **inducement port**.

More recently, some shipping lines have introduced **round the world services**; instead of limiting themselves to one trade, for example, Europe to and from South America, these services involve ships sailing in one direction only, for example, Europe to the US Gulf, then on to the US Pacific Coast, then the Far East and back to Europe. This reduces the possibility of having to take low-paying cargoes, particularly when there is an imbalance of traffic.

A variation on this concept of combining several trades into one service involves several consecutive routes, with outward and return voyages, for example, from the Pacific Coast of North America to Asia and Europe and back. This is often also called a pendulum service as it features an outward

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and return voyage which distinguishes it from the round the world service which is in one direction only.

Associated charges

The extra charge which an outport attracts is called an **outport additional**. This, in turn, is qualified depending on whether the ship has to make a special call at a port or whether the cargo has to be brought to the port of loading, for example, in a smaller ship. The outport additional takes two forms depending on whether shipment is direct or not:

- The **direct additional** is an extra charge made by a shipping line for calling at an outport to load or discharge cargo. Very often, such a call will depend on there being a certain minimum quantity of cargo available, sufficient to justify what is known as an inducement call. The charge is per tonne or per cubic metre or per container according to the way that the cargo has been freighted.
- A shipping line may decide that it is not viable to call at a port because the amount of cargo and the revenue derived from it are small in relation to the cost of putting a large ocean vessel in. In this case, a smaller vessel, called a **feeder vessel**, may be used to carry the cargo between the outport and the main port and the cargo transhipped. The charge for this is known as a **feeder additional** or **transhipment additional**. In some trades, the word feeder is used solely for container shipments and transhipment for conventional cargoes while in other trades the two terms are used synonymously. Again the basis of this charge is the same as the basic freight rate, that is, per tonne, per cubic metre or per container.

In some cases, the outport additional may be waived if the shipper has a minimum cargo as specified in the tariff.

When a shipper has a large enough cargo to induce (attract) a ship to a (smaller) port not normally called at, the shipping line may charge a direct additional. Such a cargo is termed **inducement cargo**.

If the cargo has to be taken to the port of loading by another ship, known as a feeder ship, a **feeder additional** or **transhipment additional** is usually charged.

Associated abbreviation:
rtw round the world

See also:
Cargo types
Containers and container types
Dry cargo ships
Liner shipping – how it is structured

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Liner surcharges

Shipping lines impose surcharges when situations occur which cause them to bear extra costs. This can happen in three ways: events of a temporary nature, fluctuating costs and differences in costs between areas served. Generally, shipping lines will put a **notice to the trade** in suitable newspapers to warn shippers about impending surcharges. Indeed, it is in the rules of some conferences, as agreed with shippers, that such notices be published.

Of events of a temporary nature, the most common reason for unforeseen costs is congestion. Congestion is the accumulation of ships at a port to the extent that ships arriving to load or discharge are obliged to wait for a vacant berth. There are various reasons for congestion, such as strikes, severe weather or a seasonally high number of cargoes. When liner ships suffer prolonged delays as a result of congestion, their operators very often charge shippers a **congestion surcharge**.

The peak season surcharge is levied by a shipping line or grouping of lines reflecting a seasonal increase in cargo bookings. It is aimed at offsetting the extra costs to the line or lines of providing sufficient ships or equipment to meet an increase in the demand. For example, the line may have to charter ships in to supplement its fleet at possibly higher rates, or lease extra containers.

In the case of war breaking out in the area of the load or discharge port, shipping lines are obliged to pay additional insurance premiums and may seek to recover this from shippers by means of a **war risk surcharge**, which may be a percentage on the freight. The **Gulf of Aden (emergency piracy) surcharge** may be levied by a shipping line for transiting the Gulf of Aden. It may apply to vessels navigating an area where there is a high risk of piracy. It aims to cover additional insurance costs, compensate the crew and help offset any other costs which may include armed guards and the forgoing of the economies of slow steaming. It is often expressed as a lump sum per 20-foot or 40-foot container. Also known as **Aden Gulf Surcharge**.

The **ice surcharge** is a temporary charge imposed by tug companies and linesmen on shipping companies to cover the extra cost of towage or mooring during periods when ice affects these operations. It is also a temporary charge levied by a shipping line for carrying cargo through an area affected by ice. This reflects extra costs incurred, such as towage or the need for an ice-breaker or ice-strengthened ship to assist with the passage through the ice, possibly in convoy.

Certain costs are continually fluctuating, which may cause shipping lines to have difficulty in estimating the total cost of their operation with any accuracy. Most lines reserve the right to impose surcharges in these situations, at least when the costs concerned exceed a certain amount or percentage. The **currency adjustment factor** is the most common of these surcharges. The **bunker surcharge** is a charge which reflects fluctuations in the price of bunkers (*these two surcharges are more fully explained elsewhere in this book*).

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Some conferences have combined both of these into one surcharge, the currency and bunker adjustment factor. The **low sulphur (fuel) surcharge** is added to the bunker surcharge in some trades where vessels are operated in areas subject to regulations requiring a low sulphur content. The **Yen appreciation surcharge** is levied on shippers by carriers for cargo to or from Japan, reflecting movement in the value of the Yen against other currencies.

When the country of shipment is affected by inflation, shipping lines may impose an **inflation adjustment factor** to cover extra costs incurred.

When a shipping line or liner conference has a tariff common to all countries of shipment, but where one of these countries has inordinately higher costs, the line or conference may impose an **area differential**, which is an extra charge on shippers of that country.

It should be noted that the European Commission does not allow different shipping lines trading to or from European Community states to agree the method of calculating specific surcharges. Generally, the level of a surcharge changes more often than the ocean freight rate and is normally subject to an accepted amount of notice to the trade which can vary from one line to another.

Associated abbreviations:
ad area differential
b/s bunker surcharge
cabaf currency and bunker adjustment factor
caf currency adjustment factor
iaf inflation adjustment factor
pss peak season surcharge
yas yen appreciation surcharge

See also:
Bunker surcharge
Congestion
Currency adjustment factor

Lloyd's Agents

With almost 300 Lloyd's Agents and approximately the same number of Sub Agents in every major port and commercial centre in the world, the Lloyd's Agency Network covers more than 170 countries and forms the world's most extensive marine surveying network.

A Lloyd's Agent is appointed by the Lloyd's Agency Department to supply local shipping information and casualty intelligence and to provide surveying and, in most instances, claim adjusting services to the global insurance industry and its customers.

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Lloyd's Agents

Lloyd's Agents are also required to meet certain service levels unless otherwise agreed with the party that appoints them. These are:

Appointment

Within 24 hours of receiving an instruction the Agent must:

- confirm receipt and advise whether he is free to accept the appointment without conflict;
- agree the terms and conditions under which the instruction is accepted, including any terms of payment; and
- advise the applicant the name and contact of the surveyor who will manage the instruction.

Following appointment

- Within 24 hours of acceptance of appointment, at the latest, the Agent is to contact appropriate parties to agree the time and place of survey and inform the claimant/ instructing party in writing of the information and documentation that will be required to commence the Services; and
- Within 48 hours attend on site.

Following survey (or initial survey)

- Within 48 hours of the first site/vessel visit, the Agent shall provide to Insurers an initial advice in an e-mail format if appropriate.
- Within 48 hours of the first site/vessel visit, the Agent shall make a written request for any further documents or information needed to complete the survey report.
- Within seven days of attendance at site/on vessel, the Agent shall provide to Insurers a preliminary advice/status report which should include a full and detailed discussion of all considerations listed in the Content of Report section below, as is appropriate and relevant. This report should, as far as possible, establish the facts surrounding the loss and the Insured's claim and amount of the loss and can be in an e-mail format if appropriate.
- Where the matter is complex and is expected to take a considerable amount of time and/or developments warrant, the Agent is to provide the instructing party with interim reports (at agreed or reasonable intervals) reviewing the claim status. The interim report(s) to include comments on all relevant matters listed in the Content of Report section below including comments on the quantification of the claim/progress of repairs, confirmation of the reserve and information on when the next substantive development is likely to occur.

(Note: Every such periodic written report should also confirm any changes in the cost budget.)

The Agent should provide a final report to instructing insurers, within 28 days from completion of the quantification of the claim or completion of repairs, where applicable.

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The Agent is to acknowledge all correspondence including account approvals within 24 hours and fully respond within 14 days, if this is not possible the instructing party should be notified as to why this is not possible and provided with an estimated time for response.

Any need to vary the above reporting requirements should be notified to and agreed with the insurers.

Content of report

All reports and advices referred to above shall include as appropriate the following:

- a full account of the circumstances of the loss and the facts giving rise to the claim under the policy;
- the date of loss;
- an estimate of the total likely claim/cost of repairs for the purpose of establishing a reserve;
- a budget for surveying and expert costs which should reflect the proposed work plan and strategy for handling the claim;
- details of the proposed repairs; and
- an outline of subrogation opportunities.

These are general guidelines. Each case will have its own peculiarities but the Lloyd's Agent is required to:

- keep the instructing principal appropriately informed at all times;
- conduct the survey, provide interim reports and issue the final survey report within timeframes that are reasonable or appropriate for the circumstances; and
- act with due consideration and professionalism at all times.

(Note: Some principals prefer to receive all advices, report and documents in e-mail rather than hard copies/post. An agent should clarify the type of reporting that will be required.)

Website:
For further information on the Lloyd's Agency Networks, please visit http://www.lloyds.com

London Tanker Brokers' Panel

The London Tanker Brokers' Panel is an independent and impartial authority which provides a variety of rate assessments on a fee-paying basis for individual oil companies, traders, tanker operators and other interests worldwide. It also publishes monthly average freight rate Assessments (AFRA) which are available on subscription.

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London Tanker Brokers' Panel

Six of the world's most experienced tanker brokers make up the Panel:
Braemar Seascope Ltd
H Clarkson & Company Ltd
Galbraith's Ltd
E A Gibson Shipbrokers Ltd
Simpson, Spence & Young Ltd
ACM Shipping Ltd

Formed in 1953, the Panel provides current and historical rate assessments based on extensive experience of its members in the international shipping market. (Its policy precludes it from providing forecasts of future rates.)

Average freight rate assessments (AFRA)

Commissioned originally by one of the oil majors as a sophisticated indicator of freighting values for its affiliated companies, AFRA results have been published by the London Tanker Brokers' Panel continuously since 1954.

They are unique in being the only assessments of their kind to be recognised by taxation authorities as an acceptable method of charging freight between affiliated companies of multi-national groups. AFRA results are also used by oil traders and government agencies to assess the freight element in various types of oil sale agreements.

AFRA results are published on the first business day of each month and cover five deadweight groups:

- Medium range 25,000–44,999 (long) tons dw
- Large range 1 45,000–79,999 (long) tons dw
- Large range 2 80,000–159,999 (long) tons dw
- VLCC 160,000–319,999 (long) tons dw
- ULCC 320,000–549,999 (long) tons dw

In each of the five groups, tonnage is divided into three categories:

- Long-term charters
- Short-term charters
- Single voyage charters.

Each month, AFRA subscribers receive the average freight rate assessments expressed in new Worldscale points. Also available is a breakdown of the monthly assessment; this shows average rates for the three charter categories in the five deadweight groups in US dollars per metric ton, converted to a Worldscale equivalent. A further option is an assessment of the Worldscale average single voyage rate for clean vessels for GP, MR and LR1 size ranges.

AFRA results are available on a subscription basis only and all subscribers are asked to sign an undertaking that the results will not be disclosed to any other parties.

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Awards and assessments

Assessments by the London Tanker Brokers' Panel are based on up-to-the-minute market information as well as statistical and research data produced by Panel members covering the international tanker industry.

Most of the assessments fall into the following categories:

- single voyage rate;
- timecharter rate;
- consecutive voyage rate;
- Contract of Affreightment rate; and
- average single voyage rates in specified trades over a specified period for a stipulated size range though all requests for assistance in the determination of a tanker charter rate are considered except for rate forecasts. Clients are expected to provide acceptable terms of reference for the required assessment, but the Panel can advise on the wording before a request is submitted formally or incorporated into a contract.

When a rate award is requested, the Panel members identify market fixtures that compare as closely as possible with the terms of reference given. When a close comparison is not possible, the members use their judgement, as brokers, based on whatever information is available, for example, their day-to-day activities involving market intelligence, negotiations in which they may be involved, or their continuous dialogue with owners and charterers as well as other brokers.

To preserve its reputation for independence and impartiality, the Panel does not provide details or explanations or enter into discussions as to why or how a particular rate assessment is arrived at. In addition, the Panel has a strict policy of not providing expert witnesses under any circumstances.

Abbreviations:
AFRA average freight rate assessments
ulcc ultra large crude carrier
vlcc very large crude carrier

Website:
www.ltbp.com

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Manifest

Document containing a full list of the ship's cargo, extracted from information shown on the bills of lading. Each bill of lading consists normally of one sheet of paper and relates to one consignment; the information is generally laid out in boxes covering one side of the sheet and the conditions of carriage

Consignor

Emblem of National Association

FBL

NEGOTIABLE FIATA MULTIMODAL TRANSPORT BILL OF LADING
issued subject to UNCTAD/ICC Rules for Multimodal Transport Documents (ICC Publication 481).

Consigned to order of

Notify address

Place of receipt

Ocean vessel | Port of loading

Port of discharge | Place of delivery

Marks and numbers | Number and kind of packages | Description of goods | Gross weight | Measurement

specimen

according to the declaration of the consignor

Declaration of interest of the consignor in timely delivery (Clause 6.2.)

Declared value for ad valorem rate according to the declaration of the consignor (Clauses 7 and 8).

The goods and instructions are accepted and dealt with subject to the Standard Conditions printed overleaf.

Taken in charge in apparent good order and condition, unless otherwise noted herein, at the place of receipt for transport and delivery as mentioned above.

One of these Multimodal Transport Bills of Lading must be surrendered duly endorsed in exchange for the goods. In Witness whereof the original Multimodal Transport Bills of Lading all of this tenor and date have been signed in the number stated below, one of which being accomplished the other(s) to be void.

Freight amount	Freight payable at	Place and date of issue
Cargo insurance through the undersigned ☐ not covered ☐ Covered according to attached Policy	Number of Original FBL's	Stamp and signature
For delivery of goods please apply to:		

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***Figure 12*: FBL (negotiable FIATA Multimodal Transport Bill of Lading)**

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Standard Conditions (1992) governing the FIATA MULTIMODAL TRANSPORT BILL OF LADING

Definitions
- «Freight Forwarder» means the Multimodal Transport Operator who issues this FBL and is named on the face of it and assumes liability for the performance of the multimodal transport contract as a carrier.
- «Merchant» means and includes the Shipper, the Consignor, the Consignee, the Holder of this FBL, the Receiver and the Owner of the Goods.
- «Consignor» means the person who concludes the multimodal transport contract with the Freight Forwarder.
- «Consignee» means the person entitled to receive the goods from the Freight Forwarder.
- «Taken in charge» means that the goods have been handed over to and accepted for carriage by the Freight Forwarder at the place of receipt evidenced in this FBL.
- «Goods» means any property including live animals as well as containers, pallets or similar articles of transport or packaging not supplied by the Freight Forwarder, irrespective of whether such property is to be or is carried on or under deck.

1. **Applicability**
Notwithstanding the heading «FIATA Multimodal Transport Bill of Lading (FBL)» these conditions shall also apply if only one mode of transport is used.
2. **Issuance of this FBL**
2.1. By issuance of this FBL the Freight Forwarder
a) undertakes to perform and/or in his own name to procure the performance of the entire transport, from the place at which the goods are taken in charge (place of receipt evidenced in this FBL) to the place of delivery designated in this FBL;
b) assumes liability as set out in these conditions.
2.2. Subject to the conditions of this FBL the Freight Forwarder shall be responsible for the acts and omissions of his servants or agents acting within the scope of their employment, or any other person of whose services he makes use for the performance of the contract evidenced by this FBL, as if such acts and omissions were his own.
3. **Negotiability and title to the goods**
3.1. This FBL is issued in a negotiable form unless it is marked «non negotiable». It shall constitute title to the goods and the holder, by endorsement of this FBL, shall be entitled to receive or to transfer the goods herein mentioned.
3.2. The information in this FBL shall be prima facie evidence of the taking in charge by the Freight Forwarder of the goods as described by such information unless a contrary indication, such as «shipper's weight, load and count», «shipper-packed container» or similar expressions, has been made in the printed text or superimposed on this FBL. However, proof to the contrary shall not be admissible when the FBL has been transferred to the consignee for valuable consideration who in good faith has relied and acted thereon.
4. **Dangerous Goods and Indemnity**
4.1. The Merchant shall comply with rules which are mandatory according to the national law or by reason of international Convention, relating to the carriage of goods of a dangerous nature, and shall in any case inform the Freight Forwarder in writing of the exact nature of the danger, before goods of a dangerous nature are taken in charge by the Freight Forwarder and indicate to him, if needbe, the precautions to be taken.
4.2. If the Merchant fails to provide such information and the Freight Forwarder is unaware of the dangerous nature of the goods and the necessary precautions to be taken and if, at any time, they are deemed to be a hazard to life or property, they may at any place be unloaded, destroyed or rendered harmless, as circumstances may require, without compensation. The Merchant shall indemnify the Freight Forwarder against all loss, damage, liability, or expense arising out of their being taken in charge, or their carriage, or of any service incidental thereto.
The burden of proving that the Freight Forwarder knew the exact nature of the danger constituted by the carriage of the said goods shall rest on the Merchant.
4.3. If any goods shall become a danger to life or property, they may in like manner be unloaded or landed at any place or destroyed or rendered harmless. If such danger was not caused by the fault and neglect of the Freight Forwarder he shall have no liability and the Merchant shall indemnify him against all loss, damage, liability and expense arising therefrom.
5. **Description of Goods and Merchant's Packing and Inspection**
5.1. The Consignor shall be deemed to have guaranteed to the Freight Forwarder the accuracy, at the time the goods were taken in charge by the Freight Forwarder, of all particulars relating to the general nature of the goods, their marks, number, weight, volume and quantity and, if applicable, to the dangerous character of the goods, as furnished by him or on his behalf for insertion on the FBL.
The Consignor shall indemnify the Freight Forwarder against all loss, damage and expense resulting from any inaccuracy or inadequacy of such particulars.
The Consignor shall remain liable even if the FBL has been transferred by him.
The right of the Freight Forwarder to such an indemnity shall in no way limit his liability under this FBL to any person other than the Consignor.
5.2. The Freight Forwarder shall not be liable for any loss, damage or expense caused by defective or insufficient packing of goods or by inadequate loading or packing within containers or other transport units when such loading or packing has been performed by the Merchant or on his behalf by a person other than the Freight Forwarder, or by the defect or unsuitability of the containers or other transport units supplied by the Merchant, or if supplied by the Freight Forwarder if a defect or unsuitability of the container or other transport unit would have been apparent upon reasonable inspection by the Merchant.
The Merchant shall indemnify the Freight Forwarder against all loss, damage, liability and expense so caused.
6. **Freight Forwarder's Liability**
6.1. The responsibility of the Freight Forwarder for the goods under these conditions covers the period from the time the Freight Forwarder has taken the goods in his charge to the time of their delivery.
6.2. The Freight Forwarder shall be liable for loss of or damage to the goods as well as for delay in delivery if the occurrence which caused the loss, damage or delay in delivery took place while the goods were in his charge as defined in Clause 2.1, unless the Freight Forwarder proves that no fault or neglect of his own, his servants or agents or any other person referred to in Clause 2.2. has caused or contributed to such loss, damage or delay. However, the Freight Forwarder shall only be liable for loss following from delay in delivery if the Consignor has made a declaration of interest in timely delivery which has been accepted by the Freight Forwarder and stated in this FBL.
6.3. Arrival times are not guaranteed by the Freight Forwarder. However, delay in delivery occurs when the goods have not been delivered within the time expressly agreed upon or, in the absence of such agreement, within the time which would be reasonable to require of a diligent Freight Forwarder, having regard to the circumstances of the case.
6.4. If the goods have not been delivered within ninety consecutive days following such date of delivery as determined in Clause 6.3., the claimant may, in the absence of evidence to the contrary, treat the goods as lost.
6.5. When the Freight Forwarder establishes that, in the circumstances of the case, the loss or damage could be attributed to one or more causes or events, specified in a – e of the present clause, it shall be presumed that it was so caused, always provided, however, that the claimant shall be entitled to prove that the loss or damage was not, in fact, caused wholly or partly by one or more of such causes or events:
a) an act or omission of the Merchant, or person other than the Freight Forwarder acting on behalf of the Merchant or from whom the Freight Forwarder took the goods in charge;
b) inadequacy or defective condition of the packaging or marks and/or numbers;
c) handling, loading, stowage or unloading of the goods by the Merchant or any person acting on behalf of the Merchant;
d) inherent vice of the goods;
e) strike, lockout, stoppage or restraint of labour.
6.6. **Defences for carriage by sea or inland waterways**
Notwithstanding Clauses 6.2., 6.3. and 6.4. the Freight Forwarder shall not be liable for loss, damage or delay in delivery with respect to goods carried by sea or inland waterways when such loss, damage or delay during such carriage has been caused by:
a) act, neglect, or default of the master, mariner, pilot or the servants of the carrier in the navigation or in the management of the ship;
b) fire, unless caused by the actual fault or privity of the carrier, however, always provided that whenever loss or damage has resulted from unseaworthiness of the ship, the Freight Forwarder can prove that due diligence has been exercised to make the ship seaworthy at the commencement of the voyage.
7. **Paramount Clauses**
7.1. These conditions shall only take effect to the extent that they are not contrary to the mandatory provisions of International Conventions or national law applicable to the contract evidenced by this FBL.
7.2. The Hague Rules contained in the International Convention for the unification of certain rules relating to Bills of Lading, dated Brussels 25th August 1924, or in those countries where they are already in force the Hague-Visby Rules contained in the Protocol of Brussels, dated 23rd February 1968, as enacted in the Country of Shipment, shall apply to all carriage of goods by sea and also to the carriage of goods by inland waterways, and such provisions shall apply to all goods whether carried on deck or under deck.
7.3. The Carriage of Goods by Sea Act of the United States of America (COGSA) shall apply to the carriage of goods by sea, whether on deck or under deck, if compulsorily applicable to this FBL or would be applicable but for the goods being carried on deck in accordance with a statement on this FBL.
8. **Limitation of Freight Forwarder's Liability**
8.1. Assessment of compensation for loss of or damage to the goods shall be made by reference to the value of such goods at the place and time they are delivered to the consignee or at the place and time when, in accordance with this FBL, they should have been so delivered.
8.2. The value of the goods shall be determined according to the current commodity exchange price or, if there is no such price, according to the current market price or, if there are no such prices, by reference to the normal value of goods of the same name and quality.
8.3. Subject to the provisions of subclauses 8.4. to 8.9. inclusive, the Freight Forwarder shall in no event be or become liable for any loss of or damage to the goods in an amount exceeding the equivalent of 666.67 SDR per package or unit or 2 SDR per kilogramme of gross weight of the goods lost or damaged, whichever is the higher, unless the nature and value of the goods shall have been declared by the Consignor and accepted by the Freight Forwarder before the goods have been taken in his charge, or the ad valorem freight rate paid, and such value is stated in the FBL by him, then such declared value shall be the limit.
8.4. Where a container, pallet or similar article of transport is loaded with more than one package or unit, the packages or other shipping units enumerated in the FBL as packed in such article of transport are deemed packages or shipping units. Except as aforesaid, such article of transport shall be considered the package or unit.
8.5. Notwithstanding the above mentioned provisions, if the multimodal transport does not, according to the contract, include carriage of goods by sea or by inland waterways, the liability of the Freight Forwarder shall be limited to an amount not exceeding 8.33 SDR per kilogramme of gross weight of the goods lost or damaged.
8.6. a) When the loss of or damage to the goods occurred during one particular stage of the multimodal transport, in respect of which an applicable international convention or mandatory national law would have provided another limit of liability if a separate contract of carriage had been made for that particular stage of transport, then the limit of the Freight Forwarder's liability for such loss or damage shall be determined by reference to the provisions of such convention or mandatory national law.
b) Unless the nature and value of the goods shall have been declared by the Merchant and inserted in this FBL, and the ad valorem freight rate paid, the liability of the Freight Forwarder, under COGSA, where applicable, shall not exceed US$ 500 per package or, in the case of goods not shipped in packages, per customary freight unit.
8.7. If the Freight Forwarder is liable in respect of loss following from delay in delivery, or consequential loss or damage other than loss of or damage to the goods, the liability of the Freight Forwarder shall be limited to an amount not exceeding the equivalent of twice the freight under the multimodal contract for the multimodal transport under this FBL.
8.8. The aggregate liability of Freight Forwarder shall not exceed the limits of liability for total loss of the goods.
8.9. The Freight Forwarder is not entitled to the benefit of the limitation of liability if it is proved that the loss, damage or delay in delivery resulted from a personal act or omission of the Freight Forwarder done with the intent to cause such loss, damage or delay, or recklessly and with knowledge that such loss, damage or delay would probably result.
9. **Applicability to Actions in Tort**
These conditions apply to all claims against the Freight Forwarder relating to the performance of the contract evidenced by this FBL, whether the claim be founded in contract or in tort.
10. **Liability of Servants and other Persons**
10.1. These conditions apply whenever claims relating to the performance of the contract evidenced by this FBL are made against any servant, agent or other person (including any independent contractor whose services have been used in order to perform the contract, whether such claims are founded in contract or in tort, and the aggregate liability of the Freight Forwarder and of such servants, agents or other persons shall not exceed the limits in clause 8.
10.2. In entering into this contract as evidenced by this FBL the Freight Forwarder, to the extent of these provisions, does not only act on his own behalf, but also as agent or trustee for such persons, and such persons shall to this extent be or be deemed to be parties to this contract.
10.3. However, it is proved that the loss of or such loss or damage to the goods resulted from a personal act or omission of such a person referred to in Clause 10.1., done with intent to cause damage, or recklessly and with knowledge that damage would probably result, such person shall not be entitled to benefit of limitation of liability provided for in Clause 8.
10.4. The aggregate of the amounts recoverable from the Freight Forwarder and the persons referred to in Clauses 2.2. and 10.1. shall not exceed the limits provided for in these conditions.
11. **Method and Route of Transportation**
Without notice to the Merchant, the Freight Forwarder has the liberty to carry the goods on or under deck and to choose or substitute the means, route and procedure to be followed in the handling, stowage, storage and transportation of the goods.
12. **Delivery**
12.1. Goods shall be deemed to be delivered when they have been handed over or placed at the disposal of the Consignee or his agent in accordance with this FBL or when the goods have been handed over to any authority or other party to whom, pursuant to the law or regulation applicable at the place of delivery, the goods must be handed over, or such other place at which the Freight Forwarder is entitled to call upon the Merchant to take delivery.
12.2. The Freight Forwarder shall also be entitled to store the goods at the sole risk of the Merchant, and the Freight Forwarder's liability shall cease, and the cost of such storage shall be paid, upon demand, by the Merchant to the Freight Forwarder.
12.3. If at any time the carriage under this FBL is or is likely to be affected by any hindrance or risk of any kind (including the condition of the goods) not arising from any fault or neglect of the Freight Forwarder or a person referred to in Clause 2.2. and which cannot be avoided by the exercise of reasonable endeavours the Freight Forwarder may:
abandon the carriage of the goods under this FBL and, where reasonably possible, place the goods or any part of them at the Merchant's disposal at any place which the Freight Forwarder may deem safe and convenient, whereupon delivery shall be deemed to have been made, and the responsibility of the Freight Forwarder in respect of such goods shall cease.
In any event, the Freight Forwarder shall be entitled to full freight under this FBL and the Merchant shall pay any additional costs resulting from the above mentioned circumstances.
13. **Freight and Charges**
13.1. Freight shall be paid in cash, without any reduction or deferment on account of any claim, counterclaim or set-off, whether prepaid or payable at destination.
Freight shall be considered as earned by the Freight Forwarder at the moment when the goods have been taken in his charge, and not to be returned in any event.
13.2. Freight and all other amounts mentioned in this FBL are to be paid in the currency named in this FBL or, at the Freight Forwarder's option, in the currency of the country of dispatch or destination at the highest rate of exchange for bankers sight bills current for prepaid freight on the day of dispatch and for freight payable at destination on the day when the Merchant is notified on arrival of the goods there or on the date of withdrawal of the delivery order, whichever rate is the higher, or at the option of the Freight Forwarder on the date of this FBL.
13.3. All dues, taxes and charges or other expenses in connection with the goods shall be paid by the Merchant.
Where equipment is supplied by the Freight Forwarder, the Merchant shall pay all demurrage and charges which are due to a fault or neglect of the Freight Forwarder.
13.4. The Merchant shall reimburse the Freight Forwarder in proportion to the amount of freight for any costs for deviation or delay or any other increase of costs of whatever nature caused by war, warlike operations, epidemics, strikes, government directions or force majeure.
13.5. The Merchant warrants the correctness of the declaration of contents, insurance, weight, measurements or value of the goods but the Freight Forwarder has the liberty to have the contents inspected and the weight, measurements or value verified. If on such inspection it is found that the declarations not correct it is agreed that a sum equal either to five times the difference between the correct figure and the freight charged, or to double the correct freight less the freight charged, whichever sum is the smaller, shall be payable as liquidated damages to the Freight Forwarder for his inspection costs and losses of freight on other goods notwithstanding any other sum having been stated on this FBL as freight payable.
13.6. Despite the acceptance by the Freight Forwarder of instructions to collect freight, charges or other expenses from any other person in respect of the transport under this FBL, the Merchant shall remain responsible for such monies on receipt of evidence of demand and the absence of payment for whatever reason.
14. **Lien**
The Freight Forwarder shall have a lien on the goods and any documents relating thereto for any amount due at any time to the Freight Forwarder from the Merchant including storage fees and the cost of recovering same, and may enforce such lien in any reasonable manner which he may think fit.
15. **General Average**
The Merchant shall indemnify the Freight Forwarder in respect of any claims of a General Average nature which may be made on him and shall provide such security as may be required by the Freight Forwarder in this connection.
16. **Notice**
16.1. Unless notice of loss of or damage to the goods, specifying the general nature of such loss or damage, is given in writing by the consignee to the Freight Forwarder when the goods are delivered to the consignee in accordance with clause 12, such handing over is prima facie evidence of the delivery by the Freight Forwarder of the goods as described in this FBL.
16.2. Where the loss or damage is not apparent, the same prima facie effect shall apply if notice in writing is not given within 6 consecutive days after the day when the goods were delivered to the consignee in accordance with clause 12.
17. **Time bar**
The Freight Forwarder shall, unless otherwise expressly agreed, be discharged of all liability under these conditions unless suit is brought within 9 months after the delivery of the goods, or the date when the goods should have been delivered, or the date when in accordance with clause 6.4. failure to deliver the goods would give the consignee the right to treat the goods as lost.
18. **Partial Invalidity**
If any clause or a part thereof is held to be invalid, the validity of this FBL and the remaining clauses or a part thereof shall not be affected.
19. **Jurisdiction and applicable law**
Actions against the Freight Forwarder may be instituted only in the place where the Freight Forwarder has his place of business as stated on the reverse of this FBL and shall be decided according to the law of the country in which that place of business is situated.

The ICC logo denotes that this document has been deemed by the ICC to be in conformity with the UNCTAD/ICC Rules for Multimodal Transport Documents. The ICC logo does not imply ICC endorsement of the document nor does it in any way make the ICC party to any possible legal action resulting from the use of this document.

Figure 12: FBL (negotiable FIATA Multimodal Transport Bill of Lading)

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are printed on the reverse. The manifest does not follow this format: essentially it is a statement of the bills of lading and has headings taken from the bills which are normally displayed side-by-side across the page. A page of a manifest could contain one bill of lading or, more often, many, depending on the amount of information relating to each bill of lading. The headings normally include: shipper, consignee, marks and numbers, description of the cargo including its packaging, its dimensions, weight and any remarks as to its condition.

A copy, known as the **outward manifest** or **customs manifest**, is lodged by the ship's agent with the customs authorities at the port of loading. Lodging this document is a requirement for clearance outwards, permission granted by customs authorities for a ship to to proceed to sea. A further copy, known as the **inward manifest**, is similarly lodged at the discharge port, with one copy going to the ship's agent so that the unloading of the ship may be planned in advance.

A **dangerous goods manifest** is produced by a carrier listing full details of all the dangerous goods carried on board. These details include the class of dangerous cargo, its location in the ship, the type of packing and the nature of the risk.

Manifests do not usually show the freight charged by the shipping line, but some countries require this to be shown so a **freighted manifest** is drawn up, detailing the freight charges bill of lading by bill of lading.

If an item is incorrectly declared by the shipper, a **manifest corrector** is issued by the shipper to amend the details of the consignment. This may incur an extra charge. The instruction is also known as a **manifest correction letter**.

Discrepancies between the quantity or condition of the cargo discharged from the ship are shown on an **outturn report** which is a written statement issued by a stevedoring company. Discrepancies are obtained by comparing with the ship's manifest. Also referred to as an **over, short and damage report**. Cargo discharged in excess of the quantity on the ship's manifest is known as an **overage**.

Cargo which has been discharged at a port for which it was not intended according to the ship's manifest is known as **overlanded cargo** or **overlanding**. The ship's agent, on behalf of the shipowner or carrier, tries, by means of the shipping marks on the cargo and by contacting the ship's agents at the other discharge ports on the ship's itinerary, to identify the correct destination. In many instances, cargo which cannot be identified and disposed of within a certain period of time may be auctioned by the port authority.

Goods shown on the ship's manifest which cannot be found when the ship discharges her cargo are known as a s**hortage** or **shortlanded cargo**. The ship's agent at the discharge port sends a **cargo tracer** to the agents at the other discharge ports on the ship's itinerary to determine whether this cargo was landed in error at one of these ports.

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See also:
Bill of lading

Multimodal transport bill of lading

Multimodal transport involves transport by more than one mode, normally, but not necessarily, including an ocean leg. Often forwarding agents act as carrier when offering a door-to-door service and are known as a **multimodal transport operator**. As with combined transport, the provider of a multimodal transport contract accepts responsibility for the goods from the time they are received into his care until the time they are delivered at destination.

The two types of document evidencing a contract for multimodal transport are the **multimodal transport bill of lading** and the **multimodal transport sea waybill**. Both the Baltic and International Maritime Council (BIMCO) and the International Federation of Freight Forwarders Associations (FIATA) have published multimodal transport bills of lading covering this situation. BIMCO's multimodal transport bill of lading is codenamed Multidoc 95. Additionally, BIMCO have published a multimodal transport sea waybill. The terms and conditions of the waybill follow those of the bill of lading, except that the waybill is non-negotiable and cannot be endorsed to a third party; the waybill contains a clause to this effect.

Associated illustration:
Figure 12 The FIATA Multimodal Transport Bill of Lading (FBL) is a carrier-type transport document set up by FIATA for the use by freight forwarders acting as multimodal transport operators (MTO).

The FBL can also be used as a marine bill of lading.

Associated abbreviations:
FIATA International Federation of Freight Forwarders Associations
mt multimodal
MTO multimodal transport operator
SDR Special Drawing Rights
UNCTAD United Nations Conference on Trade and Development

See also:
Bill of lading
Combined transport waybill

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Multipurpose ships

Ships capable of carrying several types of cargo, either in combination with each other or as full cargoes. This flexibility reduces the number of voyages in ballast and makes such ships adaptable to changing trade patterns. There are a number of different types of multipurpose ship, and the principal ones are mentioned here.

Bulk newsprint carrier: ship designed to carry rolls of newsprint, having gantry cranes to lift the cargo on and off. Such ships may also be suitable for the carriage of timber cargoes and containers, thus reducing the number of voyages in ballast.

Bulk/container carrier *or* **container/bulk carrier**: ship designed to carry a full cargo of containers or dry bulk such as grain, coal, ore or forest products. Also known as a **conbulker**.

Con-ro ship *or* **ro-ro/containership**: ship designed to carry both shipping containers and ro-ro cargo. She has cell guides within which to accommodate the containers and also has decks to take roll-on/roll-off cargo.

Container/barge carrier: ship designed to carry barges and shipping containers at the same time. The barges are floated into the ship through large bow doors. The containers are stowed on deck.

Container/pallet carrier: ship designed to carry shipping containers and palletised goods. Although the ship is capable of carrying general cargo, the interior of the ship generally carries paper products on pallets. These are loaded through a side door, taken by pallet lift (pallet elevator) to the appropriate level and thence by fork-lift to the desired positions. The containers are carried on deck. This type of vessel is sometimes called a pallet carrier.

Multi-purpose supply vessel: vessel used in a variety of ways to service and support the offshore oil industry. It is normally geared and may have a helicopter deck. It may be capable of firefighting and deep-water handling. Also known as a multi-purpose service vessel.

Ore/bulk/oil carrier *or* **bulk-oil carrier** *or* **oil/bulk/ore carrier**: large ship designed to carry cargoes either of ore or other bulk commodities, or of oil. The cargo is loaded into central holds and, if oil, into side tanks as well.

Ore/oil carrier: ore is carried only in the central holds whereas oil is carried in wing tanks and in the central holds as well, if required.

Paper/container carrier: ship designed to carry shipping containers and paper, the latter normally in the form of rolls. She has box-shaped holds suitable for the stowage of containers, a dehumidifying system to remove moisture from the holds, since dry conditions are necessary when carrying paper. The rolls are loaded through doors in the side of the ship.

Passenger/train/vehicle carrier: vessel having, typically, three decks onto which vehicles, both cars and trucks, are carried and having rails on several decks allowing wagons to be transported. The vessel has overnight accommo-

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dation for passengers and may well have entertainment and shopping facilities on board. The vehicle decks are inter-connected by internal ramps.

Passenger/vehicle ferry: vessel designed to carry passengers (with or without cars) and commercial vehicles with their drivers, usually on short sea crossings. Vehicles are driven on and off the ship on ramps and spend the voyage on special decks, with private cars normally kept separate from commercial vehicles.

Associated abbreviations:
obo ore/bulk/oil carrier
o/o ore/oil carrier
ro-ro roll-on/roll-off

See also:
Ship types

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The Nautical Institute

The Nautical Institute is an international representative body for maritime professionals involved in the control of sea-going ships. It provides a wide range of services to enhance the professional standing and knowledge of its members who are drawn from all sectors of the maritime world.

Aims and objectives

To provide the strongest possible professional focus, dedicated to improving standards of those involved in control of seagoing craft, while maintaining the Institute as an international centre of nautical excellence.

- To represent the professional views of its members to and within the international, national and local bodies considering the safety and efficiency of shipping operations.
- To promote and co-ordinate in the public interest the development of nautical studies in all its branches by:
  - encouraging and promoting a high standard of qualification, competence and knowledge among those in control of seagoing craft including non-displacement craft;
  - facilitating the exchange and publication of information and ideas on nautical science, encourage research and publish its results;
  - establishing and maintaining appropriate educational and professional standards of membership;
  - co-operating with government departments and other bodies concerned with statutory and other qualifications, and with universities and other educational institutes and authorities in the furtherance of education and training in nautical science and practice; and

– encouraging the formation of branches and professional groups in different areas worldwide.

A representative body for maritime professionals

The Nautical Institute is a non-governmental organisation (NGO) with consultative status at the International Maritime Organization (IMO). Its aim is to represent seafarers' and practical maritime professionals' views at the highest level.

As a representative body, the Institute fulfils its role in many different ways. Membership by proven qualifications and experience helps to set standards. The technical committees ensure that professional opinion and advice is fed back to the industry's decision-making bodies.

Publications written by practitioners for practitioners provide the best operational guidance available and the branches encourage professional development in local areas.

Website:
http://www.nautinst.org

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Penalties

In most voyage charters, the shipowner allows the charterer a certain amount of time within which to load and/or discharge the cargo. This time is known as **laytime**. It can be expressed as a number of tonnes per day, a number of tonnes per (workable) hatch per day or simply a number of hours or days. There are periods when laytime does not count, for example, weekends, public holidays or bad weather depending on the particular charter-party. Once laytime has been used up, the charterer is very often liable for **demurrage**, an agreed sum of money paid for every extra day taken to load or discharge the cargo.

There are many variations in the way that laytime and demurrage can be described which will affect the final calculation. The **rate of demurrage**, normally an amount of money per day, or part of a day on a pro rata basis, is agreed in the charter-party (or liner bill of lading).

One point is worthy of note: if the charterer has used all the laytime allowed in the charter-party before completing loading, demurrage is calculated continuously until completion; no allowances are made for so-called excepted periods such as holidays or weekends. This is a general rule which applies to loading and discharging and gives rise to the expression "**once on demurrage, always on demurrage**".

Laytime is calculated on a **time sheet** and this is used as the basis of the calculation of demurrage.

Despatch, or **despatch money**, is the amount paid by the shipowner

to the charterer, shipper or receiver, as the case may be, for loading and/or discharging in less than the time allowed in the charter-party. It is not found in every case, but in those cases where it is offered by a shipowner, it is an incentive to cargo interests to load or discharge as quickly as possible. Very often, the rate of despatch is half the rate of demurrage. When no despatch is agreed, the offer will show the amount of demurrage followed by the term **free despatch**. When set at half the rate of demurrage, it is termed half despatch and often appears in an abbreviated form in an offer or counter-offer as, for example, $5,000 **d 1/2 d** ($5,000 per day demurrage, $2,500 per day despatch).

Damages for detention are very similar to demurrage in that their purpose is to recompense a shipowner for an undue delay to his ship when loading or discharging if these operations are the responsibility of the charterer, shipper or receiver. These damages occur in two situations: first, in those charter-parties where demurrage is set for a certain number of days, damages for detention become payable at the expiry of that period and continue until completion of loading or discharging, as the case may be. This practice is not as common as it used to be. Although there is no express provision for this period being exceeded, damages for detention are implied in the contract. The second situation is when no provision is made at all in the charter-party for damages should laytime be exceeded. Here, too, damages for detention are implied but this time they take effect as soon as laytime expires, there being no provision for demurrage.

Where a charter-party does contain a provision for demurrage, the rate is agreed in advance. This is known in legal parlance as liquidated damages. Damages for detention, by contrast, are unliquidated, that is to say they are not agreed in advance but are determined after the event and generally are a reflection of the daily operating expenses of the shipowner.

Chartered ships are not alone in being delayed by their users. The advent of containerisation has meant that an enormous amount of equipment, in the form of shipping containers of many different types, is spread around in the countries at each end of the many shipping routes served by container-ship lines. While some containers are in transit, overland or on the high seas, others are in yards, depots, terminals and ports waiting for a shipper to load his cargo or a receiver to unload. In an FCL shipment, it is up to the merchant to load and discharge the container. Containers cannot earn money for the shipping line if they are sitting idle waiting for something to happen, hence penalties exist for merchants who fail to conclude their cargo operations and release the equipment back to the shipping line within a certain time.

Demurrage on equipment is a charge on the merchant for keeping equipment at the container yard or container terminal or berth beyond the free time specified in the liner tariff. It is essentially referred to in connection with FCL shipments, in other words, where the merchant controls the entire box. Most frequently, it arises at the terminal or yard in the country of destination when the merchant fails to strip (unload) the container soon enough. Less often, it

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can arise in the country of shipment when the merchant does not permit the shipping line to ship the container on the first available vessel.

There are four elements in the analysis of demurrage:

- amount of free time – taking the terminal in the country of destination as the most common example, free time is the period within which the merchant can unload the container and make it available to the carrier without incurring demurrage charges. This period varies from line to line and country to country but is typically between two and five working days;
- commencement of free time – free time may be two to five days. The starting point varies widely but could be the date of arrival of the container at the container yard or, if delivery is at the port, free time could commence immediately after discharge from the ship or one or two days after completion of discharge. All of this depends on the terms of the particular tariff;
- amount of demurrage – every line or conference has its own way of calculating demurrage. In all cases, it is a lump sum per container per day but the period of demurrage varies: some lines exclude the first weekend, some charge an amount for an initial period followed by an increased amount. Others have steadily increasing charges the longer the container remains to be unpacked. Often, there will be an additional charge for refrigerated containers where generators must be kept working.
- the type of equipment – this often determines the amount of demurrage and the amount of free time.

Demurrage can also be a daily charge payable by the user of a railway wagon (railcar) for detaining it beyond the time allowed. This is known as **wagon demurrage** or, in North America, **car demurrage**.

While demurrage charges on equipment relate to FCL shipments, LCL shipments can incur **storage charges**. These are payable by the merchant for failing to take delivery of the goods at the container freight station within the specified period (the container freight station is the place where goods for export are grouped together into containers and where imported goods shipped in this way are unpacked from the container for collection by the consignees). As with demurrage, there are three key elements:

- amount of free time – typically five to seven days or it could be the custom of the port;
- commencement of free time – again, this varies from trade to trade. In some cases, it commences when the container arrives at the container freight station. In others, it runs from the day the container is unpacked or from the following day;
- amount of charges – the tariff will specify the amount per freight ton per day for storage at the container freight station. The carrier may have an option to transfer goods overdue for collection to a warehouse and may charge the merchant for this operation.

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Demurrage and storage charges relate to delays occurring at the port or terminal or container yard or container freight station. Delays do also occur to containers and trailers at the supplier's or receiver's premises or at private yards where the merchant effects loading or unloading. If a merchant detains equipment in this way beyond the free time specified, he is liable to pay the carrier **detention charges**. These arise in the same way as demurrage and storage: the merchant is given free time, usually a (small) number of hours in which to load or unload, as the case may be. If this time is exceeded, he is liable to pay an amount per day to the carrier, as set out in the tariff. The tariff may specify a larger amount per day after a certain number of days.

While a high percentage of shipments proceed without a hitch, there are times when all does not go according to plan. The types of problem which can arise are:

- the consignee refuses to take delivery of the cargo;
- the consignee refuses to take delivery of the cargo within a reasonable time or fails to give appropriate instructions for delivery;
- a local prohibition of a particular commodity means that it cannot be landed; and
- a shipowner or shipping line is unable to deliver the cargo by virtue of an excepted peril.

If it looks as if the cargo is going to be collected eventually, the master may arrange for it to be put into a warehouse at the expense of the consignee. In the other examples mentioned above, the cargo may be reloaded (if, of course, it was initially landed) and shipped to another, convenient, port or indeed returned to the original port of loading. All the costs associated with this constitute **backfreight** and will be for the account of the merchant.

Some liner bills of lading contain a clause stipulating that if the discharge port is inaccessible or if to discharge there would result in an unreasonable delay to the ship, the shipping line reserves the right to proceed instead to another port, normally described as the nearest convenient and safe port, to discharge the cargo. Any additional costs incurred in discharging the cargo at this other port come under the heading of **additional freight** and are generally payable by the merchant to the shipping line.

Associated abbreviation:
d 1/2 d despatch half demurrage

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Port types

A **main port** is a port which handles a significant proportion of a country's seaborne trade. It can normally accommodate a large number of ships of all

types and has a variety of facilities and good inland transport connections. Often it provides loading, discharging, handling and storage facilities for a wide range of commodities.

For shipping lines, or member lines of a liner conference, a **main port** is a port called at regularly, as distinct from an **outport**, which is served infrequently or by transhipment. Freight to outports sometimes attracts a surcharge known as an **outport additional**. Infrequent service of an outport by deep sea vessels occurs due to an insufficiency of cargo. Historically, this stems from the ever-increasing sizes of these ships and the tendency to reduce the number of ports called at directly.

A vessel may call at an outport **by inducement**, that is to say, only when there is sufficient cargo, either for loading or discharging, to warrant it. Such a port is then called an **inducement port** and the cargo termed **inducement cargo**. The quantity of cargo required to justify a port call depends on the profitability of the freight, taking into account the time and cost of the deviation from the normal schedule and the cost of calling at an extra port.

Transhipment arises when an outport does not have sufficient depth of water or facilities to accommodate deep sea vessels or when the cost of deviating, including extra port charges, makes such a call uneconomical. The outport may then be served by a smaller vessel known as a **feeder ship**. This plies between the outport, which is then termed a **feeder port** (or sometimes **wayport**) and the port served directly by the ocean vessel, known as the **transhipment port**. This latter type of port is often one which is on a number of trade routes. It specialises in, and has facilities for, cargoes which arrive on one ship and are transferred, or transhipped, into or onto another. It may also have facilities for intermediate storage.

A **specialised port** is a port most of whose facilities are designed to handle one particular commodity, often a bulk cargo, such as oil, grain or iron ore. These facilities consist of loading or discharging equipment, as the case may be, vehicles and equipment for handling as well as storage.

A **container port** is a port whose only, or principal, traffic is in shipping containers. Its berths are equipped with container cranes and there are large areas for stacking the containers prior to loading on to the ship or after discharging.

A **ferry port** specialises in handling ferry services. Typically, the port consists of a large paved area where vehicles (cars, trucks and coaches) can park in readiness for driving on to the ferries with berths normally equipped with ramps over which vehicles drive on and off the vessels.

An **oil port** handles mainly or only oil; it often has deep water jetties to accommodate large oil tankers and with storage tanks and refineries.

A **bunkering port** is a port at which a ship calls to take on bunkers (fuel). It is not a port where cargo is normally loaded or discharged, particularly if the bunkers are taken on at an anchorage rather than on the berth. Sometimes,

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however, in the case of liner ships, an inducement cargo (*see above*) may be loaded or discharged, if necessary to or from barges.

A **free port, free trade zone** or **free zone** is a separate area within a port set aside for goods which are imported temporarily before being re-exported, sometimes after having been processed in some way. Facilities vary widely from one zone to another and the advantages of using such zones also vary from one to another and from country to country. Often, raw materials may be imported without payment of customs duties provided they are used for manufacture within the zone. Temporary imports through a free trade zone may fall outside quota systems.

An **autonomous port** is a type of port in France which is self-funded and managed by a council made up of representatives of the municipality, dock workers and others.

Alternative spellings:
transship
transshipment
trans-ship
trans-shipment

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Post-fixture work

Work done after a ship has been **fixed**, that is, after the contract for the charter of a ship has been agreed. This work may be done by specialists working for the shipowner, charterer or shipbroker. Different functions need to be done according to whether the ship has been voyage chartered or time chartered. Many of the functions are as a result of requirements in the charter-party, for example, the notices of arrival which have to be given by the parties at various stages before and during the period of the charter. In the case of a voyage charter:

- the **freight** needs to be calculated (if it is not a lump sum), collected from the charterer and passed on to the shipowner;
- **disbursements**, a vessel's expenses when in port, are checked and paid;
- a **time sheet** is completed and despatch and demurrage calculated. This is done by means of information provided by the port agents on the **statement of facts**; the calculation depends on the terms agreed in the charter-party.

In the case of time charters:
- **hire money** needs to be paid on time. Failure to do this might result in the ship being withdrawn from the service of the charterer;
- **orders to the master** need to be prepared and sent to the ship, instructing him regarding the intended ports of call, details of agents and cargoes and fuel and bunkering calculations;

- **bunkering** prices and delivery need to be determined by the charterer; and
- **on hire and off hire (condition) surveys** need to be arranged, normally done in conjunction with both the shipowner and the charterer.

In all types of charter:

- any disputes may need to be referred to arbitrators but each side needs to collate all the necessary documentation. It may also be necessary for representatives from each side to attend arbitration hearings; and
- calculations are carried out by one side and verified by the other.

See also: **Penalties**

Protection and Indemnity Club (P&I club)

Also known as **protection and indemnity associations**, these are associations of shipowners who, by means of contributions known as **calls**, provide mutual protection against liabilities not covered by insurance, such as claims for injury to crew, loss or damage to cargo, oil pollution and collision. The protection or insurance of a ship is called an **entry** – the ship is said to be **entered** with the club. Shipowners, demise charterers and ship managers who contribute to a P&I club are **members** of that club. Charterers of ships, other than demise charterers, may also enter ships with P&I clubs in order to cover their liability as charterers.

An **advance call** is normally paid once a year in advance by shipowners. This is the basic fee for the service provided by the association and is based on the ship's gross tonnage, known as the **entered tonnage**. The total of members' calls represents the anticipated amount of claims against the association's funds. When the association's total exposure to claims has been calculated after the end of each year and the anticipated amount has been exceeded, the P&I club may request a **supplementary call**.

More recently, some P&I clubs have introduced **fixed rate calls**, otherwise called **fixed rate premiums**, whereby no supplementary calls are made.

The principal P&I clubs belong to the **International Group of P&I Clubs (IGP&I)** whose main role is to coordinate the claim-sharing agreement, known as the **pooling agreement**, by means of which the clubs reinsure each other for claims in excess of US$9 million.

Some clubs provide cover for charterers.

Associated abbreviations:
P&I or **pandi** protection and indemnity
F d & d freight, demurrage and defence

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Associated definitions:

Call rate Amount of contribution payable to the P&I club per ton of the ship's tonnage.

Freight, demurrage and defence Class of insurance provided by a P&I club which covers legal costs incurred by a shipowner in conjunction with claims arising from the operation of his ship.

Interclub agreement Agreement between a number of major P&I clubs on the method of apportioning liability for loss and damage to cargo carried in ships chartered under a New York Produce Exchange charter-party.

Certificate of entry A document and any endorsement thereto issued by the Association in accordance with the rules and the articles of association which records the names of members interested in, and evidences the contract of insurance in respect of, an entered ship.

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Protocol on Preparedness, Response and Co-operation to pollution Incidents by Hazardous and Noxious Substances, 2000 (OPRC-HNS Protocol)

Adoption by IMO: 15 March 2000; Entry into force: 14 June 2007.

The Protocol on Preparedness, Response and Co-operation to pollution Incidents by Hazardous and Noxious Substances (OPRC-HNS Protocol) follows the principles of the OPRC Convention and was formally adopted by States already party to the OPRC Convention at a diplomatic conference held at IMO headquarters in London in March 2000.

Like the OPRC Convention, the OPRC-HNS Protocol aims to establish national systems for preparedness and response and to provide a global framework for international co-operation in combating major incidents or threats of marine pollution. Parties to the OPRC-HNS Protocol are required to establish measures for dealing with pollution incidents, either nationally or in co-operation with other countries. Ships are required to carry a shipboard pollution emergency plan to deal specifically with incidents involving hazardous and noxious substances.

The OPRC-HNS Protocol ensures that ships carrying hazardous and noxious substances are covered by preparedness and response regimes similar to those already in existence for oil incidents.

For the purposes of the HNS Protocol, a hazardous and noxious substance is defined as any substance other than oil which, if introduced into the marine environment, is likely to create hazards to human health, to harm living resources and marine life, to damage amenities or to interfere with other legitimate uses of the sea.

Note: It should be noted that the definition of an HNS as defined by the OPRC-HNS Protocol 2000 differs widely from the definition of an HNS under

the International Convention on Liability and Compensation for Damage in Connection with the Carriage of Hazardous and Noxious Substances (HNS) by sea, otherwise knows as the HNS Convention.

See also:
IMO (International Maritime Organization)
International Convention on Oil Pollution Preparedness, Response and Co-operation (OPRC)

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Sale and purchase (s&p)

Sale and purchase is a separate area of shipping and shipbroking. Buyers and sellers of ships are normally represented by specialist sale and purchase brokers. The standard contract containing the terms for the sale and purchase of ships is the Norwegian Shipbrokers' Association Memorandum of Agreement, codenamed the **Saleform 2012** which replaced **Saleform 1993**. This was adopted by BIMCO in 1956 and the form was subsequently revised in 1966, 1983 and 1986/87, 1993 and 2012. It contains:

- details of the ship, such as its year of build, flag and gross and net capacities;
- the purchase price;
- deposit (10% being standard);
- payment terms;
- inspections of records and of the ship herself and when and where this is to take place;
- notices, time and place of delivery;
- drydocking, if agreed;
- what spares and other items, and what quantity of bunkers, are to be on board;
- the documentation to accompany the sale;
- any encumbrances such as liens;
- which party to pay which fees and taxes;
- condition and class on delivery;
- a law and arbitration clause; and
- other formalities.

A **bill of sale** is issued to record the transaction. This contains the main elements of the sale, such as the names of the parties, the price, the description of the vessel and any encumbrances. BIMCO publishes a standard bill of sale code named **Bimcosale**.

BIMCO also publishes a standard contract, code named **Demolishcon** which revised **Salescrap 87**, for the sale of vessels for demolition, or breaking up. This contract is similar to the Saleform but contains boxes and clauses specifically geared to the fact that the ship is being sold for demolition, notably

the inclusion of the ship's light displacement tonnage, or lightweight. This is the weight of the ship's hull, machinery, equipment and spares and is normally the basis on which such ships are paid for.

Associated abbreviations:
BIMCO Baltic and International Maritime Council
s&p sale and purchase

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Ship operating costs

There are two principal aspects of operating a ship: technical and commercial.

Technical operation includes crewing and supplying the ship, keeping her machinery and equipment in working order which, in turn, means arranging the necessary surveys, keeping her certificates up to date and stowing cargoes safely and efficiently.

Commercial operation is concerned more with finding cargoes, negotiating freight rates and bunker prices and appointing ship's agents at the ports of call.

Different people are involved in the different functions, principally the shipowner, time charterer and ship management company. The involvement of each depends on individual contracts.

Commercial operation

Ships may be operated in two basic ways:

- as tramps, that is, they call at any port to carry whatever cargoes are available, normally chartered out on the basis of a voyage charter (full charter or part charter) or time charter. When voyage chartered, the ship continues to be operated commercially by the owner, the charterer merely responsible for cargo handling. When time chartered, however, the ship is operated by its time charterer, often bulk cargo interests;
- as liners, plying between regular, advertised ports of loading and discharge on a regular basis, carrying a relatively large number of small consignments. In cases where a shipping line owns its ships, these are operated by their owner. Occasionally, a shipping line will charter in a ship when there is a surplus of cargoes or when one of the fleet is in dry dock. In such cases, shipping lines may time charter and operate the ship as if it were one of their fleet of owned vessels.

Commercial operation includes:

- port charges;
- pilotage;
- towage;

Ship types

- daily running cost (shipowner) or time charter hire (charterer);
- stevedoring charges (cargo handling);
- buying fuel;
- appointment of port agents;
- finding cargoes; and
- freight charges.

Technical operation

In all cases, technical operation is carried out by the shipowner or a nominated ship management company (ship managers).

Some of the technical responsibilities (with associated costs) are:

- quality of fuel (bunkers);
- crew wages;
- victuals;
- spares;
- surveys;
- annual drydocking;
- repairs;
- ship management;
- P&I club;
- certification; and
- (third-party) insurance.

Alternative spelling:
shipmanager

Associated abbreviations:
drc daily running cost
P&I Protection and Indemnity

Ship types

There is a large diversity of ship types, varying in equipment, size and the configuration of their cargo spaces, which in turn has a bearing on their capacity to carry cargo. All of these factors combine to meet a need, that is to say, to be able to carry efficiently a particular product or combination of products, in a particular quantity, or over a certain distance.

When deciding on a ship to carry a specific cargo, it is important to know what the various ship types are, what they are called, their principal characteristics and what equipment they have which is likely to be required for the cargo, for example, heating coils, cranes of a minimum lifting capacity, or ice-breaking ability.

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General cargo ship: the traditional ship designed to carry a wide variety of products unpacked and packed, in cartons, crates, bags or bales, or on pallets. Such ships have several decks to enable them to carry many consignments to and from a number of ports. These ships may also be termed **breakbulk** or **conventional ships** as they carry conventional cargoes, that is, dry cargoes which are lifted on and off one piece or bundle at a time by means of cranes or derricks.

Box hold ship or **box holder**: vessel with a hold or holds whose sides are at right angles, or almost at right angles, to the floor. Such ships normally have wide hatchways to enable cargo to be lowered directly into the desired position in the hold.

Coaster: ship which carries cargoes between ports on the same coast or ports of the same country. This term is also used occasionally to refer to **short sea traders**, that is, ships which perform short international voyages. There is no real distinction in terms of construction between the two – ships in either trade are of varied types: they may have one deck or more than one, they may be geared or gearless, they may have one hatch or several and may be fitted to carry containers. As a rule, they are small in relation to ocean-going vessels **(deep sea vessels)**, for example, typically 2,000 to 3,000 tonnes deadweight in Northern Europe and from 3,000 up to 8,000 tonnes deadweight on the Pacific coast of North America.

Geared ship: ship which is equipped with her own crane(s) or derrick(s). Such a ship is required for a voyage where the loading or discharging port does not have shore cranes or, if available, where shore cranes are of insufficient lifting capacity or inefficient. This is the opposite of a **gearless ship**, that is, a ship not so equipped. When chartering or scheduling a ship for a particular voyage, it is necessary to ensure that each of the ports of call has a crane capable of lifting up to the heaviest piece of cargo to be loaded or discharged or, failing this, that the ship should be suitably equipped.

Ships may have one deck or more than one. A deck is a horizontal division within the hold, used for stowing cargo. A ship with one deck is called a **single deck ship** or **single decker**. Single deckers are suitable for homogeneous cargoes of all types but are not suitable for general cargo. Bulk carriers are single deckers. Ships with two decks are called **tween deckers**. Some general cargo ships are constructed in this way as it allows for a range of products to be stowed safely. Where a voyage is likely to include a large number of ports, it is likely that a vessel with several decks, a **multideck ship**, would be required.

Containerships, also called **cellular containerships**, have cells into which the containers are lowered and where they are held in place by uprights called **cell guides**. Containers are frequently carried on deck and must be be lashed and secured. Generally, containerships are not geared but some are **self-sustaining**, that is, they have their own crane, normally a gantry crane, for loading and discharging the containers. This enables them to serve ports which do not have suitable, or indeed any, lifting equipment.

Certain types of ship are classified according to their size:

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Capesize ships are bulk carriers so called because they are too large to negotiate the Suez and Panama Canals. Vessels of over 150,000 tonnes deadweight fall into this category. **Panamax ships**, or **Panamaxes**, are bulk carriers whose dimensions enable them to transit the Panama Canal where lock width is the limiting factor. Vessels of 60,000 to 70,000 tonnes deadweight fall into this category although ships of even larger capacity have been built which are small enough in size for the Canal transit.

Associated abbreviations:
osd open shelter decker
sd single decker

See also:
Bulk carriers
Multipurpose ships
Tankers
Vehicle carriers

Shipbroker

Person who negotiates the terms for the charter of a ship on behalf of a charterer or shipowner; when on behalf of a charterer, he or she is called a **chartering agent** or **charterer's broker**; when representing a shipowner, he or she is termed an **owner's broker**. Brokers tend to specialise in dry cargoes **(dry cargo brokers)** and wet cargoes **(tanker brokers)**. Brokers may work exclusively for one principal, when they are termed **exclusive brokers**, or for several **(competitive brokers)**. Shipbroking firms are remunerated by means of a fee or commission payable by the shipowner for the successful negotiation of the charter. It is normally expressed as a percentage of the freight or hire. Brokerage may or may not be payable, according to the terms of the charterparty, should the voyage or period of the charter not be completed. After the contract for the charter of a ship has been agreed, shipbrokers often carry out **post-fixture work**; this includes payment of hire or freight, calculation of despatch or demurrage and the resolution of any disputes.

Coasting brokers specialise in the negotiation of charters for coastwise or short sea voyages. There is also a category which negotiates on behalf of a buyer or seller of a ship, known as a **sale and purchase broker**.

In many countries, these are the only categories of shipping business to comprise shipbroking. In the UK, the profession of shipbroker encompasses several other occupations: **ship's agent**, attending to the requirements of a ship, her master and crew when in port on behalf of the shipowner; **loading broker**, whose business is to attract cargoes to the ships of his principal; **bunker broker**, an intermediary in the negotiations between an oil company

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and a shipowner or ship operator for the purchase of bunkers. In certain ports in France, there exists a category of ship broker, known as a **sworn shipbroker**, who has a monopoly in the port in which he carries on business, in chartering negotiations and a monopoly in the translation of official and other documents, such as charter-parties, bills of lading, and the formalities associated with the inward and outward clearance of ships. Shipbrokers are represented in the United Kingdom by the Institute of Chartered Shipbrokers.

Shipbroking is done by telephone, telex, fax and e-mail. Additionally, brokers meet on the floor of the Baltic Exchange, the shipping market, located in London, England, whose main function is to provide facilities for the chartering of ships by its members. The Baltic, as it is widely referred to, has published a code for shipbrokers which contains guidance for brokers who operate within the self-regulated market of the Exchange. The **Baltic Code** was first produced in 1983 and revised in 1988.

Associated definitions:
broker alternative for shipbroker
fixed on subjects said of a ship, when the terms and conditions of chartering her have been agreed except for a few, normally minor, details. Subjects may be abbreviated to subs.
fixture successful conclusion of the negotiations between shipowner and charterer, generally through shipbrokers, resulting in the charter of a ship.
shipbroking the work or profession of a shipbroker
to broke to negotiate the terms for the charter of a ship

Alternative spellings:
ship broker
ship broking

See also:
Baltic Exchange
Chartering
Chartering – offer and counter-offer
Institute of Chartered Shipbrokers (ICS)

Shipping

The business of moving goods internationally involves many different types of activity. It starts with the sales contract between the exporter and the importer. This may be concluded with or without the intervention of intermediaries or agents. Terms of sale may be as agreed between the two parties or may be standard, such as Incoterms, produced by the International Chamber of Commerce. The parties agree between themselves as to the responsibilities

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of each. The exporter is required to make the goods available to his customer at a specific place, depending on the agreement he has with that customer. This might be, for example, the factory of manufacture (ex-works), the port of loading (FOB), the port of discharge (C&F or CIF) or the customer's premises (delivered). There are a number of variations of these.

When the goods are ready for shipment, a number of functions need to be carried out to get them to their destination. The exporter or importer may have their own shipping department or they may employ the services of a **freight forwarder**, sometimes called a **forwarding agent**, to make the arrangements. The person who takes responsibility for arranging the shipping of the goods is called the **shipper** (sometimes **consignor**). In practice, this is normally the exporter, the freight forwarder or the importer.

Goods may need to be transported by one means of transport or more than one, depending on where the parties are situated. Often, the journey starts with a leg by road, involving a **road haulier** (**trucking company** in North America). Alternatively, the manufacturer's premises may have their own rail siding for direct loading to **rail**, or river berth for loading to a **barge**.

Many international moves involve a leg by sea. Depending mainly on the quantity of cargo to be shipped at any one time, the shipper will require either a **shipping line** (**steamship line**) for smaller consignments or a **tramp ship operator** for larger ones. A shipping line is one which operates a ship or ships between advertised ports on a regular basis and offers space for goods in return for freight based on a tariff of rates. A tramp (ship) operator is someone who operates a ship which will call at any port to carry whatever cargoes are available, normally on the basis of a charter or part charter. In between these and a sort of mixture of the two, are the so-called **parcel carriers** who advertise a service between named ports, but on the basis of a suitably-sized cargo.

Shipping lines employ a **liner agent** or **loading broker** at the port of loading. Their principal duties are to advise the line's sailings, obtain cargoes, co-ordinate their delivery to the ship and sign bills of lading on behalf of the master.

Tramp ship operators and their charterers normally use intermediaries called **shipbrokers**, often simply called **brokers**, to negotiate the terms of the charter on their behalf. There are various types of shipbroker – owner's brokers, charterers' agents, dry cargo brokers and tanker brokers (*see* **Shipbroker**).

In each of the ports, ship operators, whether liner or tramp, appoint a **port agent**, sometimes called **ship's agent**, to look after the interests of the ship while she is in port. The agent arranges pilotage, towage, a berth for the ship, signs bills of lading and collects the freight. Charterers may also appoint a ship's agent at each of the ports. In this case, the shipowner may appoint another agent, known as a **protecting agent** or **protective agent** to protect his interests and supervise the work.

The shipper will require the services of a **Customs broker** to clear the goods through Customs, both outwards in the country of export and inwards at the port of entry or in the country of destination.

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The person or company who enters into a contract of carriage with the shipper is the **carrier**. Normally, this includes road hauliers, barge and rail operators and shipowners or operators. However, some movements arranged by freight forwarders make them the carrier, in particular when they act as **nvocc (non vessel owning common carrier** or **non vessel operating common carrier)** or **mto (multimodal transport operator)**. In these cases, the forwarder enters into contracts with shipowners and others, normally to offer exporters and importers a door-to-door service.

The person or company to whom the goods are delivered is called the **receiver**. This is often used synonymously with **consignee**, but this latter person is strictly the person referred to in the "consign to" box on the bill of lading. In practice, this is generally either the receiver or a forwarding agent.

In recent years, transport by sea has become just one element of the supply chain which also covers manufacture, processing, inland transport, storage, distribution and delivery to final destination. Manufacturers have increasingly given their supply chain over to **logistics providers** to control. **Third-party logistics** are a service provided by a third party, that is to say not the seller or buyer of goods, which integrates handling, storage and transport of goods together with value added services, such as assembly, where appropriate. Abbreviated to **3PL**, which itself often stands for **third-party logistics provider**. **Fourth-party logistics** are provided by a fourth party, that is to say not the seller or buyer of goods or the forwarder, which provides a complete supply chain solution. Abbreviated to **4PL**, which itself often stands for **fourth-party logistics provider**.

Other functions involved in shipping include those of **warehousekeepers** and **terminal operators**, who provide facilities, often highly specialised, for different commodities. These facilities might involve storage, loading and discharging ships, sorting, palletisation or bagging and loading of vehicles.

Port authorities provide the land and infrastructure for private terminal operators; in some cases, the port authority operates the port itself.

Many contracts involve payment by letter of credit and this requires the involvement of a **bank** which advances the money to pay for the goods against production of a suitable **letter of credit**.

Disputes arising from contracts of carriage are subject to resolution by arbitration or litigation, depending on the individual contract. In the case of arbitration, a number of **arbitrators** may hear the case and issue an award. Arbitrators are often commercial people, rather than lawyers. **Maritime lawyers** may be brought in, especially in complex cases, to represent the parties even in disputes which are referred to arbitration.

A number of **trade associations** exist in the shipping industry, representing companies and individuals nationally and internationally. Many of them offer educational courses and act as the voice of their members in discussions with other trade organisations and Governments.

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Associated abbreviations:
3pl third-party logistics or third-party logistics provider
4pl fourth-party logistics or fourth-party logistics provider
mto multimodal transport operator
nvoc or **nvo** non vessel owning carrier or non vessel operating carrier
nvocc non vessel owning or operating common carrier

See also:
Carrier
Forwarding agent
International Chamber of Commerce (ICC)
Shipbroker
Ship's agent

Shipping documents

Shipping documents are prepared by the exporter and/or his freight forwarder. Their main purpose is to arrange for the movement of goods and associated activities. They also give instructions for the allocation of charges and can provide special instructions for the handling of the goods, for example, the Dangerous Goods Note.

These are the principal documents:

- **CIM Rail Consignment Note** (*see* **Consignment**) (*see* Figure 5);
- **CMR Road Consignment Note** (*see* **Consignment**) (*see* Figure 6);
- The **certificate of shipment** is a document for freight forwarders who need to send confirmation to the exporter and/or consignee that the goods have been shipped as per the information contained in the certificate;
- **combined transport bill of lading** (*see* **Combined Transport Bill of Lading** *for definition*);
- **common short form bill of lading** (*see* **Bill of Lading** *for general definition*);
- **dangerous goods declaration**: submitted to the shipping line to enable it to authorise shipment (*see* Figure 8);
- **dangerous goods note**: this document accompanies the goods when in transit;
- **Export Cargo Shipping Instructions (ECSI)**: contains all the details of the cargo, provided by the exporter. Used when a freight forwarder is employed;
- **FIATA Bill of Lading** (see **Bill of Lading** *for general definition*);
- **FIATA Forwarder's Certificate of Receipt (FCR)** (*see separate entry and Figure 14*);
- **house bill of lading** (*see* **Bill of Lading** *for general definition*);
- **Non-negotiable sea waybill** (*see* **Waybill** *for general definition*);
- **shipping instructions**: document, prepared by the exporter, the purpose

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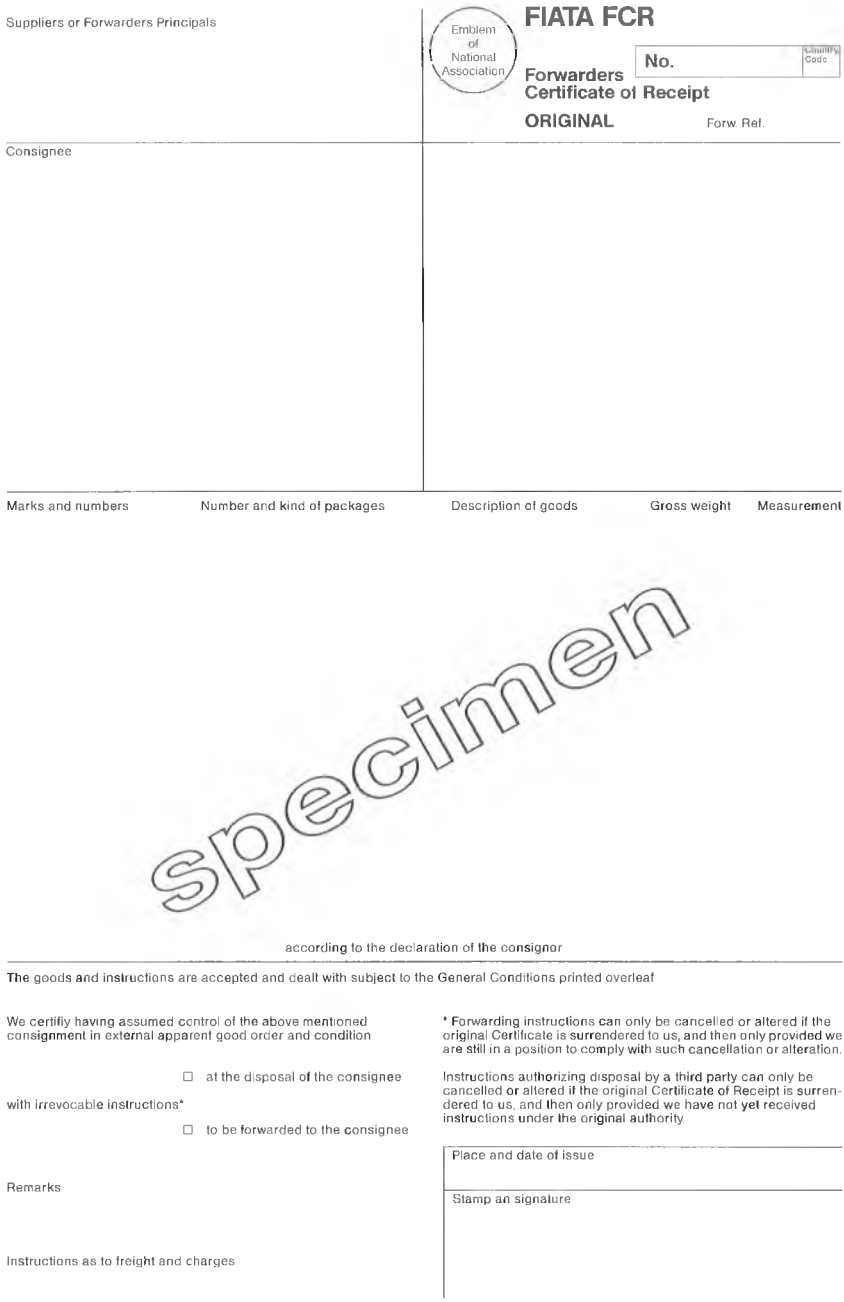
Suppliers or Forwarders Principals

Emblem of National Association

FIATA FCR

No.

Country Code

Forwarders Certificate of Receipt

ORIGINAL

Forw. Ref.

Consignee

Marks and numbers | Number and kind of packages | Description of goods | Gross weight | Measurement

specimen

according to the declaration of the consignor

The goods and instructions are accepted and dealt with subject to the General Conditions printed overleaf

We certify having assumed control of the above mentioned consignment in external apparent good order and condition

☐ at the disposal of the consignee

with irrevocable instructions*

☐ to be forwarded to the consignee

Remarks

Instructions as to freight and charges

* Forwarding instructions can only be cancelled or altered if the original Certificate is surrendered to us, and then only provided we are still in a position to comply with such cancellation or alteration.

Instructions authorizing disposal by a third party can only be cancelled or altered if the original Certificate of Receipt is surrendered to us, and then only provided we have not yet received instructions under the original authority.

Place and date of issue

Stamp an signature

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Figure 13*: *FIATA FCR (Forwarders Certificate of Receipt)

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STANDARD SHIPPING NOTE **FOR NON-DANGEROUS GOODS ONLY**

1. Exporter		2. Customs reference/status		
		3. Booking Number	4. Exporter's reference	
6. Consignee			5. Forwarder's reference	
7. Freight Forwarder		8. International Carrier		
9. Other UK transport details (e.g. ICD, terminal, vehicle bkg, ref, receiving dates		For use of receiving authority only		
10. Vessel/flight no. and date	Port/airport of loading	**10A. Company preparing this note declares that, to the best of their belief, the goods have been accurately described, their quantities, weights and measurements are correct and at the time of despatch they were in good order and condition; that the goods are not classified as being hazardous by reference to relevant national and international regulations applicable to the intended modes of transport.**		
11. Port/airport of discharge	Destination	TO THE RECEIVING AUTHORITY – Please receive for shipment the goods described below subject to your published regulations and conditions (including those as to liability).		
12. Shipping Marks	No. and kind of packages: description of goods. Non-hazardous special stowage requirements.		13A. Gross weight (kg) of goods	14. Cube (m3) of goods
For use of Shipping company only			Total gross weight of goods	Total cube of goods
16. Container identification number/vehicle registration number	16A. Seal number(s)	16B. Container/vehicle size/type	16C. Tare (kg)	16D. Total gross weight
DOCK TERMINAL RECEIPT				
HAULIER DETAILS	RECEIVING AUTHORITY REMARKS		17.Name and telephone number of company preparing this note	
Haulier's name Vehicle reg.no Driver's signature	Received the above number of packages/containers/trailers in apparent good order and condition unless stated herein Receiving Authority signature and date		Place and date Name of contact	

Figure 14*: *Standard Shipping Note

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of which is to provide the freight forwarder with full instructions for an export shipment, or by the forwarder for submission to the carrier or his agent. It includes a description of the cargo, its place of origin and final destination, documentary requirements, the name of the carrying ship, the place and date of loading and any special requirements. It is used to provide information for the bill of lading. In the UK, this document is known as the ECSI (Export Cargo Shipping Instructions). Shipping instructions are important as they tell the forwarder or carrier exactly how to handle an export shipment, including which services are required, and who is to be charged for each. Shipping instructions are increasingly prepared using computer software, often completed online and submitted electronically.

- **shipping specification**: this is a continuation document which contains details of Customs items which will not fit on a front sheet. It is used where these details are required by any party to a trade transaction.
- **standard shipping note**: this provides details of the cargo for the port authority with instructions on how to handle the goods (*see* Figure 14).

Associated abbreviations:
b/l bill of lading
bol bill of lading
DGN Dangerous Goods Note
ECSI Export Cargo Shipping Instructions
FIATA International Federation of Freight Forwarders Associations
SSN standard shipping note
w/b waybill

Associated illustrations:
Figure 13 FIATA FCR (Forwarders Certificate of Receipt)
Figure 14 Standard Shipping Note

Ship's agent

Person or company, acting on behalf of the shipowner, who looks after the interests of a ship, whether liner or tramp, while she is in port. Duties include the arranging of pilotage, towage and a berth for the ship, entering the ship in at Customs, signing bills of lading and the collection of freight. The agent is paid an **agency fee**, agreed in advance with the shipowner or ship operator. A ship's agent is widely known as **agent** or **port agent** or **ship agent**.

It is usual for the shipowner or ship operator to nominate the agent at each port. Indeed, this is provided for in Gencon, BIMCO's general purpose voyage charter-party, which reads: "In every case, the Owner shall appoint his own Broker or Agent both at the port of loading and the port of discharge."

However, it is open to negotiation as to whether the owners' agents or the

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charterers' agents are nominated. If the agent is nominated and paid for by the shipowner, he is known as an **owner's agent** or **owners' agents**; if by the charterer, **charterer's agent**, **charterers' agents** or **charts agents**. When the agent is nominated by charterers, the owner may appoint a person or company to protect his interests and to supervise the work carried out by charterers' agents. Such a person or company is known as a **protecting agent**, **protective agent** or **supervisory agent**. A protecting agent may also be appointed and brought in from elsewhere when the ship's agent is the only company at the port or the only one authorised to act as ship's agent.

When signing bills of lading, the ship's agent will usually add the words **as agent only**, signifying that he does so as agent, not as principal and has no rights or liabilities under the contract of carriage.

Associated definition:
ship's agency business of looking after the interests of a ship while she is in port

See also:
BIMCO (Baltic and International Maritime Council)
Disbursements

Ship's dimensions and capacities

Various ship's dimensions are important for three main reasons as far as trading is concerned: the capacity of the ship to take cargo, the ability of the ship to enter a port and be accommodated at a loading or discharging berth and, lastly, the basis on which dues are assessed.

Capacities

The ship's **deadweight** or **deadweight all told** is the total weight of cargo, fuel, fresh water, stores and crew which the ship can carry when immersed to a particular load line, normally her summer load line. The deadweight is expressed in tons or tonnes. It is also referred to as the **total deadweight**. The combined weight of a ship's stores and spares is called her **constants**. The **deadweight cargo capacity** or **deadweight carrying capacity** is simply the weight of cargo which the ship can carry when immersed to the same load line.

Whereas deadweight reflects the weight of cargo able to be carried, a ship carrying conventional cargo also has a cubic capacity for cargo. In fact, ships have two such capacities, corresponding to the two basic types of cargo: the **bale capacity**, or **bale** for short, is the total capacity of a ship's holds available for the carriage of solid cargo, such as steel coils, which is not capable of filling the spaces between the ship's frames. It is expressed in cubic metres or cubic feet; the **grain capacity**, or **grain** for short, is the number of cubic metres

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or cubic feet of space for free-flowing cargoes, such as grain – it includes the spaces between the ship's frames and is therefore greater than the bale.

A **full and complete cargo** is a quantity of cargo sufficient to fill a ship to capacity either by weight or cubic measurement, depending on the **stowage factor** of the cargo, that is, the ratio of the cargo's weight to its cubic measurement, expressed either as cubic metres to the tonne (1,000 kg) or cubic feet to the ton (of 2,240 lb). When a ship's cargo holds are full and her hull is immersed as far as the permitted load line, she is said to be **full and down**. This condition is ideal for a ship operator since it maximises the use of the ship's cubic capacity and her permitted draught.

A conventional ship's ability to accept cargo depends on her hatch and hold sizes.

The capacity of a containership is normally expressed in **twenty-foot equivalent units (teu's)**. That of a roll-on/roll-off ship is expressed in **lane metres**, with the total comprising the **lane length** of the ship.

Dimensions

Ports, and within ports, berths, have different lengths, widths and depths of water. There are also restrictions at locks, sand bars and river bridges. It is vital to know what these are and how they relate to the ship's dimensions before scheduling or fixing a ship.

The **length overall** is the maximum length between the extreme ends, forward and aft, of a ship. This measurement is often required to determine, for example, whether a ship can negotiate a particular lock or whether she can be accommodated at a specific berth. It is also known as the **overall length**.

The **beam** is the maximum breadth of a ship. This is sometimes a factor in determining whether a ship is able to be accommodated in a lock or whether the cranes at a port have a sufficient **outreach** to reach cargo on the seaward side.

The **draught** is the depth to which a ship is immersed in the water; this depth varies according to the design of the ship and will be greater or lesser depending not only on the weight of the ship and everything on board, such as cargo, ballast, fuel and spares, but also on the density of the water in which the ship is lying. A ship's draught is determined by reading her **draught marks**, a scale marked on the ship's stem and stern. Every ship has a **deadweight scale**, a table which shows in columns a set of draughts with the ship's corresponding deadweight tonnages when she is lying in salt water and fresh water. The quantity varies not only ship by ship, but also according to the quantity already on board. The quantity of cargo needed to immerse a ship one further centimetre is expressed in **tonnes per centimetre**. The corresponding Imperial measurement is **tons per inch**.

Ships have a **capacity plan**, a document detailing the capacities of all the cargo spaces and all the tanks used for oil fuel, diesel oil, lubricating oil, fresh water and water ballast. The capacities are expressed in cubic metres or cubic feet and, in the case of tanks, the quantity in tonnes or tons which they can hold.

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The **air draught** is one of three possible distances:

(a) the maximum height from the water-line to the topmost point of a ship, that is, the superstructure or the highest mast. This information is required for ships having to navigate bridges;
(b) the clearance between the topmost point of a ship and a bridge over a river;
(c) the maximum height from the water-line to the top of the hatch coamings. This figure is necessary in some bulk trades where loading is effected by conveyor belt which projects over the hatchway. The ship must be low enough in the water, if necessary by retaining sufficient ballast on board, to allow the conveyor to clear the hatch coamings.

Register tonnages

All ships have **register tonnages** on which the various dues, such as port dues and pilotage, are charged. The **gross tonnage** is a figure representing the total of all the enclosed spaces, arrived at by means of a formula which has as its basis the volume measured in cubic metres. This has replaced the **gross register tonnage** or **gross registered tonnage**. The **net tonnage** is similarly calculated but on the basis solely of the enclosed spaces within a ship that are available for cargo. The net tonnage has replaced the **net register tonnage** or **net registered tonnage**. Ships are measured by a surveyor for this purpose and a **tonnage certificate** issued, showing the various tonnages. The Panama and Suez Canals have their own regulations concerning measurement of ships for the purpose of determining the tonnages which are used to calculate canal dues.

Alternative spelling:
draft

Associated abbreviations:
dwat deadweight all told
dwcc deadweight cargo capacity or deadweight carrying capacity
dwt deadweight
f&cc full and complete cargo
grt gross register tonnage or gross registered tonnage
gt gross tonnage
lbp length between perpendiculars
lm lane metre(s)
loa length overall
nrt net register tonnage or net registered tonnage
nt net tonnage
tdw tonnes deadweight
teu twenty-foot equivalent unit
tpc tonnes per centimetre
tpi tons per inch

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Stowage

The placing of goods in a ship in such a way as to ensure, first, the safety and stability of the ship not only on a sea or ocean passage but also in between ports when a part of the cargo has been loaded or discharged, as the case may be; second, the safety of the individual consignments which should not be damaged or contaminated by being in proximity to goods with which they are not compatible; third, the ability to unload goods at their port of discharge without having to move goods destined for other ports. This applies to containers on a containership as much as it does to conventional cargo. Stowage is determined by the ship's cargo superintendent although responsibility rests with the master of the ship.

On conventional ships calling at a number of load ports and discharge ports, this can be a complicated exercise and a knowledge of the characteristics of different products is called for. In particular, it is important for a cargo superintendent to know whether a particular product may be overstowed by another, or whether it can be overstowed at all, taking all the above factors into consideration **(to overstow** is to stow one item of cargo on top of another in a ship): some commodities have a **tier limit**, or **tier limitation**, which is the maximum number of levels of that commodity which may be stowed on top of each other without suffering **compression damage**; this type of damage may also arise when certain cargoes are overstowed by others. Alternatively, some sensitive cargoes can be contaminated and unfit for their original purpose if stowed close to other, possibly strong-smelling, cargoes.

Before loading commences a **cargo plan** is drawn up. This working document is a plan in the form of a longitudinal cross-section of the ship. It shows suggested locations in the ship of all the consignments, taking into consideration all the above factors. A cargo plan is often taken to be synonymous with a **stowage plan** which has the same format but is drawn up to show the actual locations of all the consignments once they have been stowed in the ship. The stowage plan is frequently colour-coded to highlight the various ports of discharge. It is very often sent to the stevedore at each of the discharge ports to assist them in planning the discharge of the ship.

Occasionally, it is not known at the time of loading at which port a particular cargo is to be discharged. This cargo, termed **optional cargo**, must therefore be stowed in such a position that it can be removed at any of a number of selected ports, known as **optional ports**, without disturbing other cargo. The position in the ship is called an **optional stow**.

To help identification of consignments, goods or their packaging should have displayed distinctively on them a **shipping mark** which should include the port or place of destination, known as the **port mark** and a package number, if there is more than one. These markings are also known as **marks and numbers**. To further assist in identifying separate consignments and to make sure that they are not mixed or discharged at the wrong port, **separations** are

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employed which might consist of painting different colour marks on the cargo or putting tarpaulins or other materials between them.

An important element when loading bulk cargoes, such as wheat or iron ore, is the **stowage factor**. This is the ratio of a cargo's cubic measurement to its weight, expressed in cubic feet to the ton or cubic metres to the tonne. The stowage factor is used in conjunction with a ship's grain or bale capacities to determine the total quantity of cargo which can be loaded.

Associated definitions:
mixing of cargo placing of goods in a ship in such a way that they require sorting before being delivered.
to pre-stow to decide in advance the stowage of a cargo on a ship.

Strike clause

Clause in a bill of lading or charter-party which sets out the options available to the parties to the contract of carriage in the event that a strike or lock-out (and in certain contracts, a riot or civil commotion) prevents or interrupts the loading or discharging of the cargo. The wording of the clause and the options vary according to the individual contract. Various standard strike clauses have evolved over the years. These range from a few lines to many paragraphs which seek to cover every possible eventuality.

Charter-parties

A number of different charter-party strike clauses start by exonerating both owner and charterer from responsibility for the consequences of any strike preventing or delaying the carrying out of any obligations under the charter-party.

There are key stages of the voyage which many charter-parties make separate provision for when a strike commences. These are listed below together with commonly found options which vary according to the individual contract:

(a) before the ship has arrived at the load port or before loading has commenced:

- owners and charterers may agree to cancel the charter; and
- owners may ask charterers to treat laytime as if there is no strike, failing which owners may have the right to cancel the charter;

(b) when a part of the cargo has been loaded:

- charterers may require the vessel to wait, paying the owners full demurrage; and

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- owners may have the option to sail and possibly complete with cargo from another port on the route;

(c) when the ship is on the way to the discharge port:

- charterers may require the vessel to proceed to the discharge port and wait on payment of half demurrage (after expiry of any time allowed) or possibly order the vessel to another port;

(d) when only a part of the cargo has been discharged:

- the vessel may be ordered by the charterers to another port to discharge.

Amwelsh 93, the Americanized Welsh Coal Charter, treats loading and discharging in the same way: provided the strike had not started when the charter was agreed, half the laytime counts during periods of strike. There is also a provision that demurrage is payable at half the rate agreed if the vessel goes on demurrage during the strike.

BIMCO publish a strike clause which can be included in a charter-party by agreement of the parties.

Some charter-parties extend the scope of the strike clause to include the place of manufacture or mine, and the inland transport required to bring the cargo to the load port, since such a stoppage or lock-out will affect the charterer's ability to provide cargo for the ship.

Charter-party bills of lading incorporate the provisions of the relevant charter-party and so the same strike clause will apply to both documents.

Liner bills of lading

Whereas in most charters, cargo interests are responsible for loading and discharging, where shipments are booked on liner terms, the shipping line is responsible. Generally, the liner bill of lading, which contains the carrier's standard terms and conditions, will exclude liability on the part of the carrier for loss or damage arising from strikes (as well as other situations outside of the carrier's control).

If either the loading or discharging is prevented or delayed by a strike, normally the carrier will be entitled to discharge the cargo at the loading port or at any other safe and convenient port.

Associated abbreviation:
BIMCO Baltic and International Maritime Council

Associated definitions:
Strike-bound (1) Said of a port where no loading or discharging is taking place because of a strike of dockers or where ships are unable to enter or leave because of a strike of pilots, tugmen or lockgatemen.
Strike-bound (2) Said of a ship which is unable to leave a port because of a strike of pilots, tugmen or lockgatemen.

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See also:
Bill of lading
Charter-party

Sub-charter

Tramp owners and owners of bulk carriers may not operate the ships themselves but may charter them out to others (the charterers). Often, these charterers may employ the ships for the duration of the charter. However, there are occasions when a ship becomes surplus to requirements, possibly temporarily, or when the main purpose of the charter was to perform a trip in one direction but the charter stipulated a round voyage. In these cases a charterer may, in turn, charter the ship out to a third party. There may thus be several "layers" of companies, giving rise to a hierarchy of people, actions and documentation. When there are only two parties involved, the shipowner and the charterer, there is no confusion as to role. When there are more levels, all of the parties and their actions and contract types may need to be distinguished one from another, something which becomes crucial in the event of a dispute.

At the highest level, the party to whom the shipowner charters his ship is the **head charterer**. The charter-party is called the **head charter** or **head charter-party**, irrespective of what type of charter it is, for example, whether it is a Baltime charter-party or a New York Produce Exchange charter-party, or whatever type of voyage charter it may be. In the case of a voyage charter, payment to the owner is the freight or voyage freight. This is summarised as follows:

Owner: **shipowner**
Charterer: **head charterer**
Contract: **head charter** or **head charter-party**
Payment: **freight** or **voyage freight**

Should the charterer at some stage let the ship to a third party, that third party is known as the sub-charterer. The action is termed a sub-charter or a sub-let. The charter-party is called the sub-charter or sub charter-party. The freight is known as the sub-freight.

Effective owner: Head charterer becomes **disponent owner**
Charterer: **sub-charterer**
Contract: **sub-charter**
Payment: **sub-freight**
This process may be repeated with the following relationships:
Effective owner: Sub-charterer who becomes disponent owner
Charterer: **sub-sub-charterer**
Contract: **sub-sub-charter**
Payment: **sub-sub-freight**

Often, the parties at each level of sub-charter will agree terms and conditions,

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known as **back to back conditions**, which are identical to the level above and thereby to the head charter. The purpose of this is avoid having different rights and responsibilities between the various parties which could complicate the resolution of disputes.

Associated definitions:
to recharter said of a charterer of a ship, to charter or hire the ship out to another party. Also referred to as **to sub-let** or **to sub-charter**.

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Sundry charter-party clauses (found in both voyage and time charters)

A number of types of clause are found in both voyage and time charter-parties and are equally applicable to both types of contract. In many cases the clause is identical, if produced by the same body. The most common clauses are to be found below.

Address commission clause: **Address commission** is a commission payable by the shipowner to the charterer, expressed as a percentage of the freight or hire (depending on whether the charter is on a voyage or time basis). It is often 2½%. In a voyage charter, it normally applies to freight and any deadfreight or demurrage. In the case of a time charter, it is based on the hire (money). Although this commission is sought by charterers as a means of reducing the freight or hire, these are capable of being adjusted by the shipowner to compensate for it.

Arbitration clause: Clause which stipulates that any dispute arising from the contract be resolved by arbitration, as opposed to litigation. The clause also specifies the place where the arbitration is to be held, the number of arbitrators and their qualifications and may also set out the procedure should one party fail to nominate an arbitrator, or should the arbitrators fail to agree.

Brokerage clause: Clause in a charter-party which stipulates the elements on which commission is payable to the shipbroker and the amount payable in the event of non-execution of the charter. Also called a **brokerage commission clause**.

Clause paramount: Clause in a charter-party and in a bill of lading, which stipulates that the contract of carriage is governed by the Hague Rules or the Hague-Visby Rules or the enactment of these rules of the country having jurisdiction over the contract. Also referred to as the **paramount clause**.

Deviation clause: Clause in bill of lading or charter-party allowing the shipping line or shipowner to deviate from the agreed route or normal trade route. This clause varies from contract to contract and may permit the ship to call at unscheduled ports for whatever reason, or to deviate to save life or property. Also termed the **liberties clause**, **liberty clause** or **liberty and**

deviation clause. It sometimes includes a provision for bunkering – *see* **p&i bunker deviation** *under* **Sundry voyage charter-party clauses**.

Exceptions clause: Clause in a charter-party or bill of lading which exonerates the carrying ship from responsibility for damage to cargo from certain named causes such as an Act of God or negligence of the master.

Ice clause: Clause which sets out the options available to the parties to the contract in the event that navigation is prevented or temporarily delayed by severe ice conditions. The wording of the clause and the options vary according to the individual contract: a master may have the right to divert the ship to the nearest safe port to discharge cargo destined for an ice-bound port. Equally, a charterer may have the option of keeping a ship waiting for ice conditions to clear on payment of demurrage.

Lien clause: Clause in a voyage charter-party which entitles the shipowner to exercise a lien on the cargo, that is, to retain control of it until any freight, deadfreight or demurrage which is owed is paid. This provision is often incorporated into the cesser clause (*see* **Sundry voyage charter-party clauses**) which seeks to relieve the charterer of all responsibility under the charter-party once the cargo has been shipped.

Litigation clause: Clause which stipulates that any dispute arising from the contract be determined in a court of law, as opposed to arbitration. This is often accompanied by a stipulation as to which country's courts must hear any dispute and which country's laws must apply. These latter stipulations sometimes appear in a clause on their own, termed a **jurisdiction clause**, or **law and jurisdiction clause**. Occasionally, a charter-party will contain a clause stipulating only which country's laws will apply; such a clause is called a **governing law clause**, or simply a **law clause**.

Preamble: First few lines of the charter-party which serve to show that the parties agree to the contract contained in the document. In it, traditionally, the parties to the contract and the ship were identified. With box layout charter-parties becoming more prevalent, each of these elements has its own box to be filled in, so the preamble no longer contains these details but merely makes reference to the relevant box numbers. Indeed, in many cases, the preamble is not referred to as such.

Sub-let clause: To sub-let (or to **sub-charter**, or to **assign**), said of a charterer, is to charter or hire the ship out to another party, known as the sub-charterer. The sub-let clause gives the charterer permission to sub-let the vessel. Normally the clause holds the charterer responsible for the fulfilment of the contract even if he sub-lets the ship. *See* **Chartering**.

War clause: Clause which sets out the course of action open to the master of a ship in the event that the ship or her cargo or crew would be put at risk because of war should the voyage proceed. This clause often provides options not only for war, but also for blockade and civil commotion. Options may often include both actual and threatened danger. The clause varies according to individual contracts but invariably the master would not be required to put his ship or crew at risk. Options need to be exercised at key points of the

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voyage: prior to loading, the continuation of loading when this has already commenced, prior to discharge and during discharge. The sort of options frequently found are those which allow the ship to load or discharge all or part of the cargo, as the case may be, at safe ports nominated by the charterer or, in the absence of timely instructions, at safe ports of the master's choosing.

Associated abbreviation:
addcomm address commission

Associated definitions:
rechartering sub-letting (*see* **sub-let clause** *above*)
assignment sub-letting (*see* **sub-let clause** *above*)

See also:
Strike clause
Sundry time charter-party clauses
Sundry voyage charter-party clauses

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Sundry time charter-party clauses

Bunkers clause: Clause which specifies the amount of fuel and diesel required to be on board the vessel at the time of delivery and redelivery. It also sets out the price payable by the charterer to the owner for bunkers on board on delivery and by the owner to the charterer for bunkers remaining on board on redelivery. These prices are subject to individual agreement and may be the current price at the place concerned or a price agreed between the parties to the contract. In some charter-parties, this clause includes the specification for the fuel and a requirement that any fuel supplied by the charterers is to conform to it.

Delivery clause and **redelivery clause**: These clauses may appear separately or together and vary in complexity according to the particular contract or charter-party form. The delivery clause may include the period of the charter, the place, time and hours of delivery and required notices to be given by the ship prior to arrival. The redelivery clause includes the place of redelivery and notices required to be given by the charterers to the owners.

Demise clause: A clause found in some time charters signifying that the existence of the charter does not denote that the charterer is considered to be the owner of the ship. A similar clause appears in some bills of lading stipulating that the contract of carriage is between the shipper or bill of lading holder and the shipowner. Bills of lading issued by charterers of a ship on behalf of the owner and master often contain this clause. It should be noted that this clause may be inconsistent with the laws of certain countries and may therefore be invalid in those countries. Also called the **identity of carrier clause**.

Drydocking clause: Clause which states whether the shipowner is entitled

to put his ship into drydock during the period of the charter. If so, it may specify the notice which the owner is required to give the charterer and state which party pays for which of the associated costs. Generally, the ship will be off hire during the drydocking (*see* **Offhire clause** *below*).

Hire clause and **hire payment clause**: These two elements may be found separately or together. Hire is the money paid by the charterer to the shipowner for the hire of a ship taken on time charter (also the amount paid by the sub-charterer to the time charterer when the ship is sub-let). The hire clause specifies the rate of hire, that is, normally an amount per day or per 30 days or per deadweight ton per month. The hire payment clause sets out the currency, timing and frequency of payment, all of which vary depending on the particular contract. As a rule, it is specified that the shipowner has the right to withdraw the ship from the service of the charterer if hire is not paid on time.

Off hire clause: Clause which sets out the circumstances in which hire money, payable by the charterer to the shipowner, may be temporarily suspended. These periods are known as **off hire periods**. The circumstances vary according to the individual contract but may include:

- inability on the part of the ship to comply with the charterer's instructions because of damage, defect or breakdown;
- arrest of the ship for reasons unconnected with the charterers;
- loss of time for which the ship is responsible; and
- drydocking (this is often provided for in a separate clause).

Some charter-parties specify that the charterer has the option to add off hire periods to the period of the charter. This clause is also known as the **suspension of hire clause**.

Owners to provide clause and **charterers to provide clause**: These clauses, which normally appear separately, set out what the owners and charterers are required to provide and pay for. These requirements vary according to the particular contract and may include some or all of the following: In the case of owners:

- provisions, wages and expenses of the master, officers and crew;
- insurance on the vessel;
- deck and engine room stores; and
- winchmen, for example, one winchman per hatch.

In the case of charterers:

- fuel;
- taxes and dues arising from cargo carried;
- materials required for tank cleaning (cargo tanks);
- port charges;
- dock and harbour dues;
- loading, trimming and stowage costs, including dunnage; and
- tugs.

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Performance clause: Clause setting out the ship's fuel consumptions and speeds. These are guaranteed by the owner and, if not maintained, give rise to a claim by the charterer for the cost of time lost or extra fuel consumed. There are normally exceptions or exclusions, for example, severe weather or an instruction by the charterer to reduce speed.

Supercargo clause: A supercargo is a person employed by a shipping company (which may include a shipowner or charterer) to supervise cargo-handling operations. Some charter-parties contain a clause giving the charterers the right to put their supercargo on board, paying an agreed amount per day for meals and accommodation.

Alternative spelling:
offhire

Associated abbreviation:
rob remaining on board

See also:
Sundry charter-party clauses (found in both voyage and time charters)
Sundry voyage charter-party clauses

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Sundry voyage charter-party clauses

Agency clause: clause which stipulates whether the owner or the charterer is entitled to appoint the ship's agent at the various ports.

Berth standard of average clause: clause which sets out the contribution to be made by the charterer to any claim for loss and damage to cargo for which the shipowner is liable.

Both to blame collision clause: clause in a bill of lading or charter-party which stipulates that, in the event of a collision between two ships where both are at fault, the owners of the cargo must indemnify the carrying ship against any amount paid by the carrying ship to the non-carrying ship for damage to that cargo. This clause arises because, under American law, a cargo owner is not able to make any recovery from the carrier for damage resulting from negligent navigation but may instead sue the non-carrying ship, which, in turn, seeks recovery from the carrying ship in proportion to its fault. This would render a carrier indirectly liable for a loss for which he is not directly liable to the cargo owner. The clause has, however, been held to be invalid in the American courts when incorporated into a contract with a common carrier.

Bunker deviation clause: clause in a voyage charter-party permitting the shipowner to proceed to any port on or off the route to take on bunkers.

Bunker escalation clause: clause in a voyage charter-party which states that, although the charter has been concluded on the basis of a particular price

for bunkers, if a higher price is paid for bunkers used during the contracted voyage, the shipowner is to be reimbursed for the extra cost by the charterer. Also known as the bunker price, adjustment clause or bunker rise clause.

Cancelling clause or **cancellation clause**: clause specifying the last date, known as the cancelling date, on which a ship must be available to the charterer at the agreed place. The ship must have arrived and notice of readiness tendered. The clause sets out the options and course of action if the ship arrives after the cancelling date or, in certain charter-parties, if the ship is merely expected by the owner to miss the cancelling date. These options vary but, typically, allow the charterer to cancel the contract or agree to a new cancelling date.

Cargo handling gear clause: clause in a charter-party which describes what lifting equipment the shipowner is making available to the charterer.

Cesser clause: clause which seeks to relieve the charterer of all responsibility under the contract once the cargo has been shipped. Often this clause incorporates a provision for the shipowner to have a lien on the cargo for freight, deadfreight and demurrage. In this case the clause is rightly termed a **lien and cesser clause**.

Clause paramount: clause in a bill of lading or charter-party which stipulates that the contract of carriage is governed by the Hague Rules or Hague-Visby Rules or the enactment of these rules of the country having jurisdiction over the contract.

Demurrage/despatch (dispatch) clause: clause which specifies the rate of demurrage (and despatch, if applicable) payable in the event that the time allowed for loading or discharging, as the case may be, is exceeded.

Deviation clause: clause in a bill of lading or charter-party allowing the shipping line or shipowner to deviate from the agreed route or normal trade route. This clause varies from contract to contract and may permit the ship to call at unscheduled ports for whatever reason, or to deviate to save life or property. In a time charter-party, this clause is also known as a putting back clause.

Dispute resolution clause: clause in a charter-party which sets out the terms under which disputes are handled. This may include arbitration and mediation. The clause will stipulate the jurisdiction under which any dispute is resolved.

Excepted periods clause: excepted periods are periods during which any time used to load or discharge does not count for the purpose of calculating demurrage or despatch other than by prior agreement. This clause sets out these periods, which vary from contract to contract but may include weekends, public holidays and certain periods of bad weather. This is also referred to as **suspension of laytime**.

Exceptions clause: clause in a charter-party or bill of lading which exonerates the carrying ship from responsibility for damage to cargo from certain named causes such as an act of God or negligence of the master.

Extra insurance clause: clause which, typically, specifies that extra

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insurance on account of the vessel's age, class, flag or ownership to be for owners' account. Depending on the particular contract, a maximum amount may be agreed, or there may be a provision that, if no maximum is agreed, an amount be payable which is no greater than the lowest premium available in a particular insurance market, for example London.

Freight clause: clause which stipulates when freight is due and when it is payable, and sets out the method of calculating it. These vary according to the particular contract.

General average clause: clause in a bill of lading or charter-party which stipulates in what country or place and by what rules, often the York–Antwerp Rules, general average is to be adjusted.

Ice clause: clause in a bill of lading or charter-party which sets out the options available to the parties to the contract of carriage in the event that navigation is prevented or temporarily delayed by severe ice conditions. The wording of the clause and the options vary according to the individual contract: a master may have the right to divert the ship to the nearest safe port to discharge cargo destined for an ice-bound port. Equally, a charterer may have the option of keeping a ship waiting for ice conditions to clear on payment of demurrage.

Jettison clause: clause in a bill of lading or charter-party setting out the circumstances under which a master is entitled to jettison goods from a ship.

Jurisdiction clause: clause in a bill of lading or charter-party which stipulates that any dispute between the parties arising from the contract be resolved in a court of law, as opposed to arbitration. It also specifies which country has jurisdiction, that is, the authority to administer justice. Also known as the **litigation clause**.

Laytime clause: clause which sets out the agreed rate of loading and discharging, the number of days or hours allowed, or other agreed term and details of excepted periods, such as weekends, holidays and weather stoppages. In some charter-parties, loading, discharging and excepted periods are dealt with in separate clauses, particularly if the relevant terms and conditions are complex.

Lien clause: clause in a voyage charter-party which entitles the shipowner to exercise a lien on the cargo, that is, to retain control of the cargo until any freight, deadfreight or demurrage which is owing is paid. This provision is often incorporated into the cesser clause which seeks to relieve the charterer of all responsibility under the charter-party once the cargo has been shipped.

Negligence clause: clause in a bill of lading or charter-party which seeks to relieve the shipowner or carrier of liability for losses caused by the negligence of his servants or agents.

New Jason clause: protective clause inserted into a charter-party or bill of lading which provides that the shipowner is entitled to recover in general average even when the loss is caused by negligent navigation. The need for such a clause arises from the decision of an American court that, while American law exempted a shipowner from liability for loss or damage to

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cargo resulting from negligent navigation, this did not entitle the shipowner to recover in general average for such a loss.

Overtime clause: **overtime** is any period outside normal working hours when work, if required, is available at an extra cost. Any of the parties may want to hasten the completion of loading or discharging for various reasons: cargo interests may want to avoid possible demurrage, the owner may have another cargo, provided his ship is ready in time. It is often agreed in charter-parties that the cost of overtime is payable by the party who orders it. Some contracts also contain a provision for apportionment of costs in instances of overtime being ordered by the port authorities or any Government agencies. In some contracts, the charterers are required to pay, in others the costs are apportioned on a 50/50 basis.

Owners' responsibility clause or **owners' responsibilities clause**: clause setting out the circumstances under which the owner of the ship is liable, or not liable, for loss or damage to the cargo. These circumstances vary according to the particular charter-party. In the case of the Gencon charter-party, the owners are only responsible in cases of "personal want of due diligence on the part of the Owners or their Manager to make the vessel in all respects seaworthy and to secure that she is properly manned, equipped and supplied, or by the personal act or default of the Owners or their Manager".

p&i bunker deviation: clause giving the shipowner the right to proceed to any port, whether on the contracted route or not, for the purpose of taking on fuel. Also called the **p&i bunkering clause**, **p&i bunker clause** or simply **bunkering clause**.

Protective clauses: clauses in a charter-party which provide contingencies for unforeseen situations, such as ice, strikes, general average or collision. Also known as protecting clauses.

Seaworthy trim clause: clause which requires the charterers to leave the vessel in seaworthy trim to the master's satisfaction between berths and ports, when loading or discharging. This situation arises when loading a cargo or part cargo, and when discharging a part cargo. To comply with the requirement, charterers must load or discharge, as the case may be, in such a way that, on completion of the particular operation, they leave the trim, that is, the relationship of the draughts forward and aft, in accordance with the master's requirements for putting to sea.

Shifting: clause which sets out the implications to laytime and the apportionment of costs when a vessel is required to shift berths, normally by the charterer, shipper or receiver, when loading or discharging. In some contracts, the costs are borne by owners, in others, by charterers; generally, any time used counts as laytime. Since they are similar activities, shifting and warping (see below) are sometimes contained in the same clause.

Slow steaming clause: clause in a voyage or time charter-party giving owners, charterers or operators permission to reduce speed in order to consume less fuel and thus make financial savings. The clause stipulates the technical and safety requirements of slow steaming.

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Stevedore damage clause: clause, varying from one contract to the next, which generally seeks to indemnify the shipowner against any damage done to the ship by the stevedores, since these are normally appointed by the charterers. There may be a provision for the owner to try and settle any claims directly with the stevedores.

Strike clause: clause in a bill of lading or charter-party which sets out the options available to the parties to the contract of carriage in the event that a strike prevents or interrupts the loading or discharging of the cargo. The wording of the clause and the options vary according to the individual contract. In the case of a charter, the clause may contain a provision for the effect of a strike on laytime.

War clause: clause in a bill of lading or charter-party which sets out the course of action open to the master of a ship in the event that the ship or her cargo or crew would be put at risk because of war should the voyage proceed. The clause varies according to individual contracts but invariably the master would not be required to put his ship or crew at risk.

Warping: shifting a ship by means of her mooring ropes which may be a requirement of cargo interests to facilitate loading or discharging. Some charter-parties contain a provision which sets out the implications to laytime and the apportionment of costs for this. In some contracts, the costs are borne by owners, in others, by charterers; generally, any time used counts as laytime. Since they are similar activities, warping and shifting (*see above*) are sometimes contained in the same clause.

Winch clause: clause in a charter-party which makes provision for the use of the ship's winches by the charterer. The clause often includes a stipulation as to the number of winchmen to be made available by the shipowner and the responsibility for payment of shore winches, if these are used.

Associated abbreviations:
cl. clause
o/t overtime
p&i protection and indemnity (club)

See also:
Cancellation of a charter
Sundry time charter-party clauses
Sundry charter-party clauses (found in both voyage and time charters)

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Surveys

Many surveys are carried out at different intervals for different purposes. The greatest number are surveys of ships done by classification society surveyors, mostly in order to maintain class (*see* **Classification societies**). Some are

done by independent surveyors in connection with the charter of the ship or the condition or quantity of the cargo.

A **classification survey** is any survey carried out by a surveyor of a classification society which is done to ensure that the ship meets the minimum standards for continued trading set by the society. This could be a special survey, an annual surveyor an occasional survey.

A **special survey** is a stringent survey of a ship's hull and machinery carried out every five years for the purpose of maintaining class (*see* **Classification societies**). This survey may, at the request of the shipowner, be carried out on a continuous basis, when it is termed a **continuous survey** or on a distributed basis **(distributed survey)**. When the shipowner opts for a distributed survey, a planned programme is agreed.

In addition to the special survey, ships are required to undergo an **annual survey** in drydock to ascertain the condition of the hull and machinery. **Intermediate surveys** are also carried out depending on the ship's age and type. Different surveys are also carried out at different periods depending on the type of ship. These include a **bottom survey**, **propeller shaft survey** and **boiler survey**. **Occasional surveys** are carried out, for example, after repairs have been carried out or when ships are laid up.

A **statutory survey** is any survey required by a Government –it is not a classification survey but may be carried out by a classification society surveyor when authorised by the Government concerned.

Cargo surveys may be done to establish the quantity or condition of a cargo. This may be done, for example, before the cargo is loaded onto a ship or after discharge. Such a survey may be routinely carried out for a number of reasons, such as the establishing of the amount of freight payable, or the extent of a claim for shortage or damage against a carrier or terminal. When carried out before loading, such a survey is often termed a **pre-shipment survey**; when after discharge, it is called an **outturn survey**. When carried out by a single surveyor on behalf of two parties, it is said to be a **joint survey**.

A **draught survey** is a survey undertaken at the port of discharge to determine the quantity of cargo on board a ship. The survey is in two parts: before and after discharge. Prior to discharge, the surveyor ascertains the draughts forward and aft and, taking into consideration the density of the water in which the ship is lying and any hogging or sagging, calculates the ship's displacement tonnage. He then sounds the ship's tanks to determine the quantity of fuel, fresh water and ballast on board. After discharge he repeats the procedure and arrives at a new displacement tonnage. After making allowances for any fuel and fresh water used or taken on board during discharge as well as any ballast pumped aboard, he calculates the quantity of cargo. This is sometimes used as the basis on which payment is made for bulk cargoes.

In the case of time chartered ships, two surveys are carried out, one at the beginning of the period of the charter, one at the end. An **on hire survey**, or **on hire condition survey**, is carried out at the time the ship is delivered by

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the shipowner to the time charterer. This is done in order to determine the condition of the ship at that time and this may be subsequently compared with her condition at the end of the charter, when an **off hire survey**, or **off hire condition survey**, is performed. In each case, the quantity of bunkers is ascertained for comparison with the amounts agreed in the charter-party. By agreement, the ship is inspected by one surveyor only or one surveyor for each of the two parties. Which party pays for the surveys and whether the time taken counts for the purpose of calculating hire money are matters agreed in the charter-party.

The IMO (International Maritime Organization) stipulates that all ships must be surveyed and verified by officers of the flag State Administrations or Recognising Organisations (ROs)/surveyors nominated for the purpose in order to be issued certificates which establish their compliances with the requirements of IMO instruments, such as the Conventions of SOLAS, MARPOL, Load Lines, Tonnage and so on.

See also:
Classification societies

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Tally (to)

Said of general cargo, to record the number of pieces at the time they are loaded into, or discharged from, a ship. This task may be performed by **tally clerks** working for the shipowner, the shipper or receiver, or the stevedore. In some cases, when none of these have tally clerks or **tallymen** of their own, the port may provide their own. The entries are made on **tally sheets** or in **tally books** and serve to verify the quantity of cargo loaded and discharged. A **tally** is therefore the physical count of pieces of cargo loaded into, or discharged from, a ship. The tally consists of the number of pieces together with their description and their **marks and numbers**, alternatively known as **shipping marks**. These are markings distinctively displayed on goods being shipped, or on their packaging, for ease of identification. They include the port or place of destination and a package number, if there is more than one.

Disputes can arise between the shipper and the ship as to the number of pieces or packages tallied on board. It is not normal for these pieces to be offloaded for the purpose of tallying them again. It may also be impractical, especially when dealing with a large number of pieces, to count them again once they have been stowed in the ship, partly because they may not all be within view and partly because to count them again would cause the ship to be delayed. In such cases, the master will require a notation on the bill of lading which varies according to whether the tally reveals a larger or smaller number than that declared by the shipper. When larger by, say, four pieces,

the notation will read **4 more in dispute, if on board to be delivered**. If smaller by four pieces, it will read **4 less in dispute, if on board to be delivered**.

On discharge from the ship, the stevedoring company issues an **outturn report**, a written statement in which the condition of the cargo discharged from the ship is noted along with any discrepancies in the quantity compared with the ship's manifest. This is also referred to an **over, short and damage report**. **To outturn**, said of cargo, is to be discharged from a ship. This term is normally qualified by the condition or quantity of the cargo, that is, whether it is damaged or whether the quantity is greater or less than the quantity on the ship's manifest. For example, a particular cargo **outturned 5 pieces short**. The **outturn weight** is the weight of a cargo ascertained when it is discharged from a ship. Freight on bulk cargoes is sometimes payable on the basis of this weight.

Discrepancies on discharge between the manifest and the outturn report may result in either too much cargo or too little. Too much cargo discharged is known as an **overage**, **excess landing**, **overlanded cargo** or **overlanding**; missing cargo is termed a **shortage**, **shortlanded cargo** or a **shortlanding**.

Overlanded cargo may be further defined as cargo which has been discharged at a port for which it was not intended according to the ship's manifest. The ship's agent, on behalf of the shipowner or carrier, tries, by means of the shipping marks on the cargo and by contacting the ship's agents at the other discharge ports on the ship's itinerary, to identify the correct destination. In many instances, cargo which cannot be identified and disposed of within a certain period of time may be auctioned by the port authority.

In the case of shortlanded cargo, the ship's agent at the intended discharge sends a **cargo tracer**, by telex, fax or letter, to the agents at the other discharge ports on the ship's itinerary to determine whether this cargo was landed at one of these ports in error. If it has been discharged at a later port on the ship's itinerary, it is said to have been **overcarried**. In the event that it proves not to have been loaded in the first place, there is said to be a **non-shipment**. If all that is known is that it failed to reach its destination, there is said to be a **non-delivery**. Cargo delivered by the carrier to the wrong consignee is termed **misdelivered**.

In some parts of the world, tallymen may be employed by logistics companies to keep an inventory of equipment and containers.

Associated abbreviation:
os&d (report) over, short and damage report

Associated terms:
overcarriage
misdelivery

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Tankers

A tanker is a ship designed for the carriage of liquid in bulk, her cargo space consisting of several, or indeed many, tanks. Tankers carry a wide variety of products, including crude oil, refined products, liquid gas and wine. Size and capacity range from the ultra large crude carrier of over half a million tonnes deadweight to the small coastal tanker. Tankers load their cargo by gravity from the shore or by shore pumps, and discharge using their own pumps.

A variety of different types of tanker has evolved. A number are mentioned here.

Acid tanker: type of chemical tanker designed to carry acids such as sulphuric acid. Her tanks are made out of stainless steel or may be coated with one of a variety of linings to prevent the acid from penetrating the hull. A number of safety features are required: ventilation must be such that the crew are not affected by gases which may build up; there will also be emergency equipment to deal with breathing or contact injuries.

Aframax: tanker in the 75–120,000 deadweight size range. Its name derives from AFRA, the average freight rate assessments published by the London Tanker Brokers' Panel.

Ammonia tanker or **ammonia carrier**: fully refrigerated tanker designed to carry ammonia in liquid form by means of refrigeration. The ammonia is carried in tanks which are kept separate from the ship's hull by an insulating barrier so as to help maintain the low temperature. Very often, ammonia tankers are also used to transport **propane**, a cargo which has similar requirements.

Asphalt tanker: ship used exclusively or predominantly to carry asphalt, a waste product of the oil refining industry. Basically a tanker, this ship has heating coils, since asphalt is viscous and solidifies unless it is kept at the correct heat.

Bitumen carrier: bitumen solidifies at normal temperatures and so must be kept hot when being loaded and discharged as well as during the voyage. This is achieved by means of heating coils in the tanks, with the temperature being regularly monitored. The ship has two longitudinal bulkheads dividing the ship lengthwise into three. Because of the temperature requirements, the cargo is carried in the centre tanks only.

Butane carrier: butane is carried in tanks within holds; it remains in liquid form by means of pressure and refrigeration. Such ships are also suitable for the carriage of propane.

Category 1 tankers: oil tankers of 20,000 tons deadweight and above carrying crude oil, fuel oil, heavy diesel oil or lubricating oil as cargo, and of 30,000 tons deadweight and above carrying other oils, which do not comply with the requirements for protectively located segregated ballast tanks. Commonly known as Pre-MARPOL tankers.

Category 2 tankers: oil tankers of 20,000 tons deadweight and above

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carrying crude oil, fuel oil, heavy diesel oil or lubricating oil as cargo and of 30,000 tons deadweight and above carrying other oils, which do comply with the protectively located segregated ballast tank requirements. Known as MARPOL tankers.

Category 3 tankers: oil tankers of 5,000 tons deadweight and above but less than the tonnage specified for Category 1 and 2 tankers.

Chemical tanker: tanker designed to carry liquid chemicals, such as acids, in bulk. Because of the necessity to ensure quality control for many chemicals, tanks in a chemical tanker are often coated or constructed of stainless steel. Depending on the type of cargo expected to be carried, these ships may be equipped with heating coils.

Edible oil carrier: type of tanker used to carry different types of oil destined for human consumption. Because many of these oils solidify when cool, heating coils are required in the cargo tanks to maintain the correct temperature. High standards of cleanliness must be achieved, including the cleaning of the pumps used for discharging.

Handysized tanker Small product tanker of no official size and variously described as being between 10,000 and 50,000 tonnes deadweight. (Also spelled handy-sized.)

lng carrier: ship designed to carry liquid natural gas (methane). The gas is held in a liquid state by pressure and refrigeration. The cargo-carrying capability consists of special tanks whose upper sections often protrude above deck height in domed or cylindrical form. Also known as a methane carrier.

lpg carrier: ship designed to carry liquid petroleum gas, such as butane or propane. These are carried in special tanks under pressure and at very low temperatures. The tanks are often rectangular in section and may be flanked by wing or hopper tanks used to carry water ballast.

lpg/ammonia carrier: dual-purpose tanker which is fully refrigerated and designed to carry ammonia in liquid form or lpg. Cargo is carried in refrigerated tanks which are kept separate from the ship's hull by an insulating barrier so as to help maintain the low temperature.

Malaccamax VLCC: Large deep-drafted tanker, so called because it is the largest size vessel capable of transiting the Malacca Straits.

Panama tanker: ship capable of transiting the Panama Canal, as distinct from post-Panamax ships which are too large. The Panama tanker is about 60–70,000 tonnes deadweight.

Parcel tanker: type of chemical tanker capable of carrying a number and variety of bulk liquids at the same time. This involves having a large number of segregated cargo tanks, often coated or constructed of stainless steel, to ensure that the quality of the cargo is maintained, as well as a complex system of pipes to avoid contamination. The types of cargoes likely to be carried include coconut oil and palm oil, inorganic acids and cooled semi-gases.

Phosphoric acid carrier: tanker designed to carry phosphoric acid, a

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substance used for fertilisers. The cargo tanks are required to be of a high-grade stainless steel which has resistance to pitting. The heating coils needed for this cargo need to be corrosion-resistant. There is a need to keep this cargo circulating as a sediment is otherwise created.

Post-Panamax tanker: ship so large that she cannot transit the Panama Canal.

Product carrier or **products carrier**: tanker designed to carry a variety of liquid products varying from crude oil to clean and dirty petroleum products, acids, other chemicals and even molasses. The tanks are coated, this being a requirement of some of the products carried and the ship may have equipment designed for the loading and unloading of cargoes with a high viscosity.

Shuttle tanker: designation for any tanker used to transport oil from offshore drilling rigs or storage to onshore terminals.

Suezmax tanker: maximum size of tanker capable of transiting the Suez Canal, of 12–200,000 tonnes deadweight.

Sulphuric acid carrier: because of the highly corrosive nature of this product, the cargo tanks are lined with one of a variety of linings or coatings. Heating coils are necessary to maintain the correct temperature. Sulphuric acid gives off noxious gases which have to be vented away.

ulcc: giant tanker of no official size but variously described as being one between 350,000 tonnes and 550,000 tonnes deadweight.

vlcc: large tanker of no official size but variously described as one between 100,000 tonnes and 350,000 tonnes deadweight.

Wine tanker: ship designed to carry cargoes of wine in bulk. Such ships are capable of carrying several grades of wine at the same time and usually have stainless steel tanks.

Associated abbreviations:
AFRA average freight rate assessments
lng liquid natural gas or liquefied natural gas
lpg liquid petroleum gas or liquefied petroleum gas
ppx post-Panamax
ulcc ultra large crude carrier
vlcc very large crude carrier

Associated definitions:
clean (petroleum) products or **white products** refined products such as aviation spirit, motor spirit and kerosene.
dirty (petroleum) products or **black products** crude oils, such as heavy fuel oils.

See also:
Ship types

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Tides

Chart Datum is the datum of the chart below which the depths are charted. It is also the same plane as the tidal datum, so that the tidal height when added to the charted depth gives the true depth of water. By international agreement, Chart Datum is defined as a level so low that the tide will not frequently fall below it. In the United Kingdom, this level is normally approximately the level of lowest astronomical tide (*see below*).

hat (highest astronomical tide) and **lat (lowest astronomical tide)**: the highest and lowest levels respectively which can be predicted to occur under average meteorological conditions and under any combination of astronomical conditions; these levels will not be reached every year. hat and lat are not the extreme levels which can be reached, as storm surges may cause considerably higher and lower levels to occur.

Tidal range is the depth of water between low water and the next or previous high water.

A **spring tide** is a tide whose range between high and low water is at its highest. Spring tides occur shortly after new and full moon.

mhws (mean high water springs) and **mlws (mean low water springs)**: the height of mean high water springs is the average, throughout a year when the average maximum declination of the moon is 23.5 degrees, of the heights of two successive high waters during those periods of 24 hours (approximately once a fortnight) when the range of the tide is greatest. The height of mean low water springs is the average height obtained by the two successive low waters during the same periods.

A **neap tide** is a tide whose range between high and low water is at its lowest. Neap tides occur shortly after first and third quarter. A ship which is unable to leave a port or place because of a neap tide is said to be **neaped**.

mhwn (mean high water neaps) and **mlwn (mean low water neaps)**: the height of mean high water neaps is the average, throughout a year as defined for mhws and mlws above, of the heights of two successive high waters during those periods (approximately once a fortnight) when the range of the tide is least. The height of mean low water neaps is the average height obtained from the two successive low waters during the same periods.

The values of mhws, mhwn, mlwn and mlws vary from year to year in a cycle of approximately 18.6 years. In general the levels are computed from at least a year's predictions and are adjusted for the long period variations to give values which are average over the whole cycle. The values of lowest astronomical tide (lat) and highest astronomical tide (hat) are determined by inspection over a span of years.

msl (mean sea level): Mean sea level is the average level of the sea surface over a long period, preferably 18.6 years, or the average level which would exist in the absence of tides.

mtl (mean tide level) can be calculated by meaning the heights of mhws, mhwn, mlwn and mlws.

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Slack water is still or almost still water which occurs when the tide is neither coming in nor going out.

Associated abbreviations:
hat highest astronomical tide
lat lowest astronomical tide
mhwn mean high water neaps
mhws mean high water springs
mlwn mean low water neaps
mlws mean low water springs
msl mean sea level
mtl mean tide level

Associated definition:
draught widely used to denote depth of water

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Time charter

The hiring of a ship by a charterer from a shipowner for a period of time. This type of arrangement is favoured by cargo interests who wish to control all the commercial aspects necessary to move cargo by sea.

Under this type of contract, the shipowner places his ship, with crew and equipment, at the disposal of the charterer, for which the charterer pays hire money. Subject to any restrictions in the contract, the charterer decides the type and quantity of cargo to be carried and the ports of loading and discharging. He is responsible for supplying the ship with bunkers and for the payment of cargo handling operations, port charges, pilotage, towage and ship's agency. The technical operation and navigation of the ship remain the responsibility of the shipowner. A ship hired in this way is said to be **on time charter**. The person or company who hires a ship in this way is the **time charterer**.

Occasionally, a charterer may take a ship on time charter for a single voyage only. This arrangement is known as a **trip charter** as distinct from the more normal **period charter**, that is, a charter for a period of time which could be anything from a few months to a few years.

At the beginning of the period of the charter, the ship is delivered, that is, it is placed by the shipowner at the disposal of the charterer. This is done at the time and place agreed in the charter-party. The place of delivery is often a location, such as a pilot station, where it is relatively easy to verify the time of arrival and hence the time when the charter commences. Normally, an **on hire survey**, or **on hire condition survey**, is carried out as soon as practicable to determine the condition of the ship and the quantity of bunkers on board at the time of delivery. Once delivered, the ship is said to be **on hire**.

One of the first duties of the charterer is to instruct the master and the

agents at the intended ports of call regarding the intended voyages, cargoes, bunkering schedule and on hire/off hire surveys.

During the period of the charter, the charterer pays the shipowner **hire money**, normally referred to simply as **hire**. This is normally expressed as an amount per day, or per deadweight tonne per month. It is paid at regular agreed intervals such as monthly or semi-monthly, normally in advance. It is important for hire to be paid on time, otherwise the shipowner has the right to **withdraw the ship from the service of the charterer**.

If during the charter the ship or an important piece of equipment breaks down, the ship is taken **off hire** by the charterer. Hire money is temporarily suspended until the breakdown is repaired. In practice, hire money may continue to be paid by the charterer, and refunded after the ship comes back on hire, together with a refund covering the amount of bunkers consumed during this period. The document detailing the offhire period is called the **offhire statement**.

At the end of the charter, the charterer **redelivers**, or hands back, the ship to the shipowner. This is done at an agreed port, often simultaneously with completion of discharge of the last cargo, or at a place or area such as within a range of ports. An **offhire survey**, or **offhire condition survey**, is carried out in order to determine the condition of the ship and the amount of bunkers remaining on board.

The contract for time charters is contained in a **time charter-party**, otherwise simply termed the **time charter**. There are a number of standard forms, such as those published by BIMCO (*see* **BIMCO time charter-parties** *for the NYPE 93 charter-party*).

Important elements in a time charter are:

- period of the charter;
- cargo exclusions;
- trading limits; and
- hire rate and frequency of payment.

Alternative spelling:
off-hire

Associated abbreviations:
dly delivery
redly redelivery
t/c time charter

Associated definition:
to offhire to take (a ship) offhire

Associated terms:
delivery (of a ship)

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redelivery (of a ship)
to time charter

See also:
BIMCO (Baltic and International Maritime Council)
Sundry charter-party clauses (found in both voyage and time charters)
Sundry time charter-party clauses

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Vehicle carriers

There are a variety of ship types designed to carry cars, trucks, trailers and buses, as well as railway wagons. They are grouped here under the generic title "vehicle carriers" although this term is normally used to define a particular type of ship (*see* **car carrier** *below*).

Car carrier or **pure car carrier**: ship designed to carry unaccompanied new vehicles such as cars, trucks, trailers and buses. Replacing the bulk carriers which were originally used to carry cars on the outward leg and bulk cargoes on the return leg, the vehicle carrier has roll-on/roll-off type ramps which give access to a number of decks, typically 12 or 13. Hoistable decks allow height adjustment, enabling taller vehicles to be accommodated. Some car carriers have the flexibility to carry other vehicles such as trucks, trailers and buses; these are sometimes referred to as **vehicle carriers** or **pure car and truck carriers**.

Car ferry: ship used frequently on short sea routes to carry passengers and very often cars as well. Cars are driven on and off ramps onto one or more car decks where they are parked for the duration of the crossing. Shore operations often involve the use of a linkspan or bridge which links the ship and shore at whatever angle is necessary at the particular berth. Ferries operating on routes other than very short ones may have cabins and other passenger facilities.

Ro-ro ship: ship whose cargo is driven or towed on and off by means of ramps. Typical cargoes are vehicles of different types, which are driven on and off the ship and machinery which is loaded onto a special flat, such as a Mafi flat and towed into position in the ship by a terminal tractor.

Train ferry: ship designed to carry rail wagons (railcars). These may be cargo wagons or passenger cars. The wagons are shunted onto train decks which have tracks laid on them. There are various configurations possible which determine the number of tracks. Pure train ferries carry only rail traffic while **vehicle/train ferries**, alternatively known as **train/vehicle ferries**, carry road vehicles as well. As an example, a vehicle/train ferry might have a railway track in the middle of the deck with two lines of road vehicles, one on either side.

Associated abbreviations:
ro-ro roll-on/roll-off
pcc pure car carrier
pctc pure car and truck carrier

See also:
Ship types

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Voyage charter

Contract of carriage in which the charterer pays for the use of a ship's cargo space for one, or sometimes more than one, voyage. This is as distinct from a time charter which is the hiring of a ship for a period of time.

Under a voyage charter, freight is generally paid per unit of cargo, such as a tonne, based on an agreed (minimum) quantity, or as a lump sum irrespective of the quantity loaded. Different elements are involved in loading a cargo, making it safe and discharging it depending on the particular commodity (for example, lashing, securing and dunnaging, or trimming); what these are and who pays are the subject of agreement between the parties (*see also* **Freight**). In cases where the charterer has regular shipments from and/or to the same port, perhaps even owning terminal facilities, it is usual for him to control and pay for cargo handling.

In all cases, the shipowner pays all the operating costs of the ship.

The terms and conditions of the contract are set down in a document known as a **voyage charter-party** (charter-party is often referred to simply as a charter, hence **voyage charter** may refer to the document in which the contract is contained as well as the type of contract); there are many forms of voyage charter-party, most of which have been formulated to meet the needs of different commodities and different trades. Probably the best known is the Gencon, an all-purpose charter published by BIMCO.

A ship chartered in this way is said to be **on voyage charter**.

Important elements of a voyage charter are:

- the freight;
- the laytime, that is, the time allowed by the shipowner to the charterer in which to load and/or discharge the cargo;
- the ship's carrying capacities, often expressed as a weight and as volumes (grain and bale capacities);
- the loading and discharging ports; and
- the cancelling date, that is, the last date by which the ship must be made available to the charterer.

Normally, the charter-party will also contain provisions for delays, such as might be caused by strikes, war or ice.

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1. Shipbroker	**RECOMMENDED** **THE BALTIC AND INTERNATIONAL MARITIME COUNCIL** **UNIFORM GENERAL CHARTER (AS REVISED 1922, 1976 and 1994)** **(To be used for trades for which no specially approved form is in force)** **CODE NAME: "GENCON"** Part I
	2. Place and date
3. Owners/Place of business (Cl. 1)	4. Charterers/Place of business (Cl. 1)
5. Vessel's name (Cl. 1)	6. GT/NT (Cl. 1)
7. **DWT** all told on summer load line in metric tons (abt.) (Cl. 1)	8. Present position (Cl. 1)
9. Expected ready to load (abt.) (Cl. 1)	
10. Loading port or place (Cl. 1)	11. Discharging port or place (Cl. 1)
12. Cargo (also state quantity and margin in Owners' option, if agreed; if full and complete cargo not agreed state "part cargo") (Cl. 1)	
13. Freight rate (also state whether freight prepaid or payable on delivery) (Cl. 4)	14. Freight payment (state currency and method of payment; also beneficiary and bank account) (Cl. 4)
15. State if vessel's cargo handling gear shall not be used (Cl. 5)	16. Laytime (if separate laytime for load. and disch. is agreed, fill in a) and b). If total laytime for load. and disch., fill in c) only) (Cl. 6)
17. Shippers/Place of business (Cl. 6)	(a) Laytime for loading
18. Agents (loading) (Cl. 6)	(b) Laytime for discharging
19. Agents (discharging) (Cl. 6)	(c) Total laytime for loading and discharging
20. Demurrage rate and manner payable (loading and discharging) (Cl. 7)	21. Cancelling date (Cl. 9)
	22. General Average to be adjusted at (Cl. 12)
23. Freight Tax (state if for the Owners' account (Cl. 13 (c))	24. Brokerage commission and to whom payable (Cl. 15)
25. Law and Arbitration (state 19 (a), 19 (b) or 19 (c) of Cl. 19; if 19 (c) agreed also state Place of Arbitration) (if not filled in 19 (a) shall apply) (Cl. 19)	
(a) State maximum amount for small claims/shortened arbitration (Cl. 19)	26. Additional clauses covering special provisions, if agreed

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It is mutually agreed that this Contract shall be performed subject to the conditions contained in this Charter Party which shall include Part I as well as Part II. In the event of a conflict of conditions, the provisions of Part I shall prevail over those of Part II to the extent of such conflict.

Signature (Owners)	Signature (Charterers)

Printed and sold by Fr. G. Knudtzons Bogtrykkeri A/S, 61 Vallensbækvej, DK-2625 Vallensbæk.
Telefax +45 43 66 07 08 by authority of The Baltic and International Maritime Council (BIMCO), Copenhagen

***Figure 15*: Gencon**

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PART II
"Gencon" Charter (As Revised 1922, 1976 and 1994)

1. It is agreed between the party mentioned in Box 3 as the Owners of the Vessel named in Box 5, of the GT/NT indicated in Box 6 and carrying about the number of metric tons of deadweight capacity all told on summer loadline stated in Box 7, now in position as stated in Box 8 and expected ready to load under this Charter Party about the date indicated in Box 9, and the party mentioned as the Charterers in Box 4 that:

The said Vessel shall, as soon as her prior commitments have been completed, proceed to the loading port(s) or place(s) stated in Box 10 or so near thereto as she may safely get and lie always afloat, and there load a full and complete cargo (if shipment of deck cargo agreed same to be at the Charterers' risk and responsibility) as stated in Box 12, which the Charterers bind themselves to ship, and being so loaded the Vessel shall proceed to the discharging port(s) or place(s) stated in Box 11 as ordered on signing Bills of Lading, or so near thereto as she may safely get and lie always afloat, and there deliver the cargo.

2. **Owners' Responsibility Clause**

The Owners are to be responsible for loss of or damage to the goods or for delay in delivery of the goods only in case the loss, damage or delay has been caused by personal want of due diligence on the part of the Owners or their Manager to make the Vessel in all respects seaworthy and to secure that she is properly manned, equipped and supplied, or by the personal act or default of the Owners or their Manager.

And the Owners are not responsible for loss, damage or delay arising from any other cause whatsoever, even from the neglect or default of the Master or crew or some other person employed by the Owners on board or ashore for whose acts they would, but for this Clause, be responsible, or from unseaworthiness of the Vessel on loading or commencement of the voyage or at any time whatsoever.

3. **Deviation Clause**

The Vessel has liberty to call at any port or ports in any order, for any purpose, to sail without pilots, to tow and/or assist Vessels in all situations, and also to deviate for the purpose of saving life and/or property.

4. **Payment of Freight**

(a) The freight at the rate stated in Box 13 shall be paid in cash calculated on the intaken quantity of cargo

(b) *Prepaid*. If according to Box 13 freight is to be paid on shipment, it shall be deemed earned and non-returnable, Vessel and/or cargo lost or not lost.

Neither the Owners nor their agents shall be required to sign or endorse bills of lading showing freight prepaid unless the freight due to the Owners has actually been paid.

(c) *On delivery*. If according to Box 13 freight, or part thereof, is payable at destination it shall not be deemed earned until the cargo is thus delivered. Notwithstanding the provisions under (a), if freight or part thereof is payable on delivery of the cargo the Charterers shall have the option of paying the freight on delivered weight/quantity provided such option is declared before breaking bulk and the weight/quantity can be ascertained by official weighing machine, joint draft survey or tally.

Cash for Vessel's ordinary disbursements at the port of loading to be advanced by the Charterers, if required, at highest current rate of exchange, subject to two (2) per cent to cover insurance and other expenses.

5. **Loading/Discharging**

(a) Costs/Risks

The cargo shall be brought into the holds, loaded, stowed and/or trimmed, tallied, lashed and/or secured and taken from the holds and discharged by the Charterers, free of any risk, liability and expense whatsoever to the Owners. The Charterers shall provide and lay all dunnage material as required for the proper stowage and protection of the cargo on board, the Owners allowing the use of all dunnage available on board. The Charterers shall be responsible for and pay the cost of removing their dunnage after discharge of the cargo under this Charter Party and time to count until dunnage has been removed.

(b) Cargo Handling Gear

Unless the Vessel is gearless or unless it has been agreed between the parties that the Vessel's gear shall not be used and stated as such in Box 15, the Owners shall throughout the duration of loading/discharging give free use of the Vessel's cargo handling gear and of sufficient motive power to operate all such cargo handling gear. All such equipment to be in good working order. Unless caused by negligence of the stevedores, time lost by breakdown of the Vessel's cargo handling gear or motive power – pro rata the total number of cranes/winches required at that time for the loading/discharging of cargo under this Charter Party – shall not count as laytime or time on demurrage.

On request the Owners shall provide free of charge cranemen/winchmen from the crew to operate the Vessel's cargo handling gear, unless local regulations prohibit this, in which latter event shore labourers shall be for the account of the Charterers. Cranemen/winchmen shall be under the Charterers' risk and responsibility and as stevedores to be deemed as their servants but shall always work under the supervision of the Master.

(c) Stevedore Damage

The Charterers shall be responsible for damage (beyond ordinary wear and tear) to any part of the Vessel caused by Stevedores. Such damage shall be notified as soon as reasonably possible by the Master to the Charterers or their agents and to their Stevedores, failing which the Charterers shall not be held responsible. The Master shall endeavour to obtain the Stevedores' written acknowledgement of liability.

The Charterers are obliged to repair any stevedore damage prior to completion of the voyage, but must repair stevedore damage affecting the Vessel's seaworthiness or class before the Vessel sails from the port where such damage was caused or found. All additional expenses incurred shall be for the account of the Charterers and any time lost shall be for the account of and shall be paid to the Owners by the Charterers at the demurrage rate.

6. **Laytime**

* *(a) Separate laytime for loading and discharging*

The cargo shall be loaded within the number of running days/hours as indicated in Box 16, weather permitting, Sundays and holidays excepted, unless used, in which event time used shall count.

The cargo shall be discharged within the number of running days/hours as indicated in Box 16, weather permitting, Sundays and holidays excepted, unless used, in which event time used shall count.

* *(b) Total laytime for loading and discharging*

The cargo shall be loaded and discharged within the number of total running days/hours as indicated in Box 16, weather permitting, Sundays and holidays excepted, unless used, in which event time used shall count.

(c) Commencement of laytime (loading and discharging)

Laytime for loading and discharging shall commence at 13.00 hours, if notice of readiness is given up to and including 12.00 hours, and at 06.00 hours next working day if notice given during office hours after 12.00 hours. Notice of readiness at loading port to be given to the Shippers named in Box 17 or if not named, to the Charterers or their agents named in Box 18. Notice of readiness at the discharging port to be given to the Receivers or, if not known, to the Charterers or their agents named in Box 19.

If the loading/discharging berth is not available on the Vessel's arrival at or off the port of loading/discharging, the Vessel shall be entitled to give notice of readiness within ordinary office hours on arrival there, whether in free pratique or not, whether customs cleared or not. Laytime or time on demurrage shall then count as if she were in berth and in all respects ready for loading/discharging provided that the Master warrants that she is in fact ready in all respects. Time used in moving from the place of waiting to the loading/discharging berth shall not count as laytime.

If, after inspection, the Vessel is found not to be ready in all respects to load/discharge time lost after the discovery thereof until the Vessel is again ready to load/discharge shall not count as laytime.

Time used before commencement of laytime shall count.

* *Indicate alternative (a) or (b) as agreed, in Box 16*

7. **Demurrage**

Demurrage at the loading and discharging port is payable by the Charterers at the rate stated in Box 20 in the manner stated in Box 20 per day or pro rata for any part of a day. Demurrage shall fall due day by day and shall be payable upon receipt of the Owners' invoice.

In the event the demurrage is not paid in accordance with the above, the Owners shall give the Charterers 96 running hours written notice to rectify the failure. If the demurrage is not paid at the expiration of this time limit and if the vessel is in or at the loading port, the Owners are entitled at any time to terminate the Charter Party and claim damages for any losses caused thereby.

8. **Lien Clause**

The Owners shall have a lien on the cargo and on all sub-freights payable in respect of the cargo, for freight, deadfreight, demurrage, claims for damages and for all other amounts due under this Charter Party including costs of recovering same.

9. **Cancelling Clause**

(a) Should the Vessel not be ready to load (whether in berth or not) on the cancelling date indicated in Box 21, the Charterers shall have the option of cancelling this Charter Party.

(b) Should the Owners anticipate that, despite the exercise of due diligence, the Vessel will not be ready to load by the cancelling date, they shall notify the Charterers thereof without delay stating the expected date of the Vessel's readiness to load and asking whether the Charterers will exercise their option of cancelling the Charter Party, or agree to a new cancelling date.

Such option must be declared by the Charterers within 48 running hours after the receipt of the Owners' notice. If the Charterers do not exercise their option of cancelling, then this Charter Party shall be deemed to be amended such that the seventh day after the new readiness date stated in the Owners' notification to the Charterers shall be the new cancelling date.

The provisions of sub-clause (b) of this Clause shall operate only once, and in case of the Vessel's further delay, the Charterers shall have the option of cancelling the Charter Party as per sub-clause (a) of this Clause.

10. **Bills of Lading**

Bills of Lading shall be presented and signed by the Master as per the "Congenbill" Bill of Lading form, Edition 1994, without prejudice to this Charter Party, or by the Owners' agents provided written authority has been given by Owners to the agents, a copy of which is to be furnished to the Charterers. The Charterers shall indemnify the Owners against all consequences or liabilities that may arise from the signing of bills of lading as presented to the extent that the terms or contents of such bills of lading impose or result in the imposition of more onerous liabilities upon the Owners than those assumed by the Owners under this Charter Party.

11. **Both-to-Blame Collision Clause**

If the Vessel comes into collision with another vessel as a result of the negligence of the other vessel and any act, neglect or default of the Master, Mariner, Pilot or the servants of the Owners in the navigation or in the management of the Vessel, the owners of the cargo carried hereunder will indemnify the Owners against all loss or liability to the other or non-carrying vessel or her owners in so far as such loss or liability represents loss of, or damage to, or any claim whatsoever of the owners of said cargo, paid or payable by the other or non-carrying vessel or her owners to the owners of said cargo and set-off, recouped or recovered by the other or non-carrying vessel or her owners as part of their claim against the carrying Vessel or the Owners.

The foregoing provisions shall also apply where the owners, operators or those in charge of any vessel or vessels or objects other than, or in addition to, the colliding vessels or objects are at fault in respect of a collision or contact.

12. **General Average and New Jason Clause**

General Average shall be adjusted in London unless otherwise agreed in Box 22 according to York-Antwerp Rules 1994 and any subsequent modification thereof. Proprietors of cargo to pay the cargo's share in the general expenses even if same have been necessitated through neglect or default of the Owners' servants (see Clause 2).

If General Average is to be adjusted in accordance with the law and practice of the United States of America, the following Clause shall apply: "In the event of accident, danger, damage or disaster before or after the commencement of the voyage, resulting from any cause whatsoever, whether due to negligence or not, for which, or for the consequence of which, the Owners are not responsible, by statute, contract or otherwise, the cargo shippers, consignees or the owners of the cargo shall contribute with the Owners in General Average to the payment of any sacrifices, losses or expenses of a General Average nature that may be made or incurred and shall pay salvage and special charges incurred in respect of the cargo. If a salving vessel is owned or operated by the Owners, salvage shall be paid for as fully as if the said salving vessel or vessels belonged to strangers. Such deposit as the Owners, or their agents, may deem sufficient to cover the estimated contribution of the goods and any salvage and special charges thereon shall, if required, be made by the cargo, shippers, consignees or owners of the goods to the Owners before delivery.".

13. **Taxes and Dues Clause**

(a) *On Vessel* -The Owners shall pay all dues, charges and taxes customarily levied on the Vessel, howsoever the amount thereof may be assessed.

(b) *On cargo* -The Charterers shall pay all dues, charges, duties and taxes customarily levied on the cargo, howsoever the amount thereof may be assessed.

(c) *On freight* -Unless otherwise agreed in Box 23, taxes levied on the freight shall be for the Charterers' account.

Figure 15: Gencon

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PART II
"Gencon" Charter (As Revised 1922, 1976 and 1994)

14. Agency
In every case the Owners shall appoint their own Agent both at the port of loading and the port of discharge.

15. Brokerage
A brokerage commission at the rate stated in Box 24 on the freight, dead-freight and demurrage earned is due to the party mentioned in Box 24.
In case of non-execution 1/3 of the brokerage on the estimated amount of freight to be paid by the party responsible for such non-execution to the Brokers as indemnity for the latter's expenses and work. In case of more voyages the amount of indemnity to be agreed.

16. General Strike Clause
(a) If there is a strike or lock-out affecting or preventing the actual loading of the cargo, or any part of it, when the Vessel is ready to proceed from her last port or at any time during the voyage to the port or ports of loading or after her arrival there, the Master or the Owners may ask the Charterers to declare, that they agree to reckon the laydays as if there were no strike or lock-out. Unless the Charterers have given such declaration in writing (by telegram, if necessary) within 24 hours, the Owners shall have the option of cancelling this Charter Party. If part cargo has already been loaded, the Owners must proceed with same, (freight payable on loaded quantity only) having liberty to complete with other cargo on the way for their own account.
(b) If there is a strike or lock-out affecting or preventing the actual discharging of the cargo on or after the Vessel's arrival at or off port of discharge and same has not been settled within 48 hours, the Charterers shall have the option of keeping the Vessel waiting until such strike or lock-out is at an end against paying half demurrage after expiration of the time provided for discharging until the strike or lock-out terminates and thereafter full demurrage shall be payable until the completion of discharging, or of ordering the Vessel to a safe port where she can safely discharge without risk of being detained by strike or lock-out. Such orders to be given within 48 hours after the Master or the Owners have given notice to the Charterers of the strike or lock-out affecting the discharge. On delivery of the cargo at such port, all conditions of this Charter Party and of the Bill of Lading shall apply and the Vessel shall receive the same freight as if she had discharged at the original port of destination, except that if the distance to the substituted port exceeds 100 nautical miles, the freight on the cargo delivered at the substituted port to be increased in proportion.
(c) Except for the obligations described above, neither the Charterers nor the Owners shall be responsible for the consequences of any strikes or lock-outs preventing or affecting the actual loading or discharging of the cargo.

17. War Risks ("Voywar 1993")
(1) For the purpose of this Clause, the words:
(a) The "Owners" shall include the shipowners, bareboat charterers, disponent owners, managers or other operators who are charged with the management of the Vessel, and the Master; and
(b) "War Risks" shall include any war (whether actual or threatened), act of war, civil war, hostilities, revolution, rebellion, civil commotion, warlike operations, the laying of mines (whether actual or reported), acts of piracy, acts of terrorists, acts of hostility or malicious damage, blockades (whether imposed against all Vessels or imposed selectively against Vessels of certain flags or ownership, or against certain cargoes or crews or otherwise howsoever), by any person, body, terrorist or political group, or the Government of any state whatsoever, which, in the reasonable judgement of the Master and/or the Owners, may be dangerous or are likely to be or to become dangerous to the Vessel, her cargo, crew or other persons on board the Vessel.
(2) If at any time before the Vessel commences loading, it appears that, in the reasonable judgement of the Master and/or the Owners, performance of the Contract of Carriage, or any part of it, may expose, or is likely to expose, the Vessel, her cargo, crew or other persons on board the Vessel to War Risks, the Owners may give notice to the Charterers cancelling this Contract of Carriage, or may refuse to perform such part of it as may expose, or may be likely to expose, the Vessel, her cargo, crew or other persons on board the Vessel to War Risks; provided always that if this Contract of Carriage provides that loading or discharging is to take place within a range of ports, and at the port or ports nominated by the Charterers the Vessel, her cargo, crew, or other persons onboard the Vessel may be exposed, or may be likely to be exposed, to War Risks, the Owners shall first require the Charterers to nominate any other safe port which lies within the range for loading or discharging, and may only cancel this Contract of Carriage if the Charterers shall not have nominated such safe port or ports within 48 hours of receipt of notice of such requirement.
(3) The Owners shall not be required to continue to load cargo for any voyage, or to sign Bills of Lading for any port or place, or to proceed or continue on any voyage, or on any part thereof, or to proceed through any canal or waterway, or to proceed to or remain at any port or place whatsoever, where it appears, either after the loading of the cargo commences, or at any stage of the voyage thereafter before the discharge of the cargo is completed, that, in the reasonable judgement of the Master and/or the Owners, the Vessel, her cargo (or any part thereof), crew or other persons on board the Vessel (or any one or more of them) may be, or are likely to be, exposed to War Risks. If it should so appear, the Owners may by notice request the Charterers to nominate a safe port for the discharge of the cargo or any part thereof, and if within 48 hours of the receipt of such notice, the Charterers shall not have nominated such a port, the Owners may discharge the cargo at any safe port of their choice (including the port of loading) in complete fulfilment of the Contract of Carriage. The Owners shall be entitled to recover from the Charterers the extra expenses of such discharge and, if the discharge takes place at any port other than the loading port, to receive the full freight as though the cargo had been carried to the discharging port and if the extra distance exceeds 100 miles, to additional freight which shall be the same percentage of the freight contracted for as the percentage which the extra distance represents to the distance of the normal and customary route, the Owners having a lien on the cargo for such expenses and freight.
(4) If at any stage of the voyage after the loading of the cargo commences, it appears that, in the reasonable judgement of the Master and/or the Owners, the Vessel, her cargo, crew or other persons on board the Vessel may be, or are likely to be, exposed to War Risks on any part of the route (including any canal or waterway) which is normally and customarily used in a voyage of the nature contracted for, and there is another longer route to the discharging port, the Owners shall give notice to the Charterers that this route will be taken. In this event the Owners shall be entitled, if the total extra distance exceeds 100 miles, to additional freight which shall be the same percentage of the freight contracted for as the percentage which the extra distance represents to the distance of the normal and customary route.
(5) The Vessel shall have liberty:-
(a) to comply with all orders, directions, recommendations or advice as to departure, arrival, routes, sailing in convoy, ports of call, stoppages, destinations, discharge of cargo, delivery or in any way whatsoever which are given by the Government of the Nation under whose flag the Vessel sails, or other Government to whose laws the Owners are subject, or any other Government which so requires, or any body or group acting with the power to compel compliance with their orders or directions;
(b) to comply with the orders, directions or recommendations of any war risks underwriters who have the authority to give the same under the terms of the war risks insurance;
(c) to comply with the terms of any resolution of the Security Council of the United Nations, any directives of the European Community, the effective orders of any other Supranational body which has the right to issue and give the same, and with national laws aimed at enforcing the same to which the Owners are subject, and to obey the orders and directions of those who are charged with their enforcement;
(d) to discharge at any other port any cargo or part thereof which may render the Vessel liable to confiscation as a contraband carrier;
(e) to call at any other port to change the crew or any part thereof or other persons on board the Vessel when there is reason to believe that they may be subject to internment, imprisonment or other sanctions;
(f) where cargo has not been loaded or has been discharged by the Owners under any provisions of this Clause, to load other cargo for the Owners' own benefit and carry it to any other port or ports whatsoever, whether backwards or forwards or in a contrary direction to the ordinary or customary route
(6) If in compliance with any of the provisions of sub-clauses (2) to (5) of this Clause anything is done or not done, such shall not be deemed to be a deviation, but shall be considered as due fulfilment of the Contract of Carriage.

18. General Ice Clause
Port of loading
(a) In the event of the loading port being inaccessible by reason of ice when the Vessel is ready to proceed from her last port or at any time during the voyage or on the Vessel's arrival or in case frost sets in after the Vessel's arrival, the Master for fear of being frozen in is at liberty to leave without cargo, and this Charter Party shall be null and void.
(b) If during loading the Master, for fear of the Vessel being frozen in, deems it advisable to leave, he has liberty to do so with what cargo he has on board and to proceed to any other port or ports with option of completing cargo for the Owners' benefit for any port or ports including port of discharge. Any part cargo thus loaded under this Charter Party to be forwarded to destination at the Vessel's expense but against payment of freight, provided that no extra expenses be thereby caused to the Charterers, freight being paid on quantity delivered (in proportion if lumpsum), all other conditions as per this Charter Party.
(c) In case of more than one loading port, and if one or more of the ports are closed by ice, the Master or the Owners to be at liberty either to load the part cargo at the open port and fill up elsewhere for their own account as under section (b) or to declare the Charter Party null and void unless the Charterers agree to load full cargo at the open port.
Port of discharge
(a) Should ice prevent the Vessel from reaching port of discharge the Charterers shall have the option of keeping the Vessel waiting until the re-opening of navigation and paying demurrage or of ordering the Vessel to a safe and immediately accessible port where she can safely discharge without risk of detention by ice. Such orders to be given within 48 hours after the Master or the Owners have given notice to the Charterers of the impossibility of reaching port of destination.
(b) If during discharging the Master for fear of the Vessel being frozen in deems it advisable to leave, he has liberty to do so with what cargo he has on board and to proceed to the nearest accessible port where she can safely discharge.
(c) On delivery of the cargo at such port, all conditions of the Bill of Lading shall apply and the Vessel shall receive the same freight as if she had discharged at the original port of destination, except that if the distance of the substituted port exceeds 100 nautical miles, the freight on the cargo delivered at the substituted port to be increased in proportion.

19. Law and Arbitration
* (a) This Charter Party shall be governed by and construed in accordance with English law and any dispute arising out of this Charter Party shall be referred to arbitration in London in accordance with the Arbitration Acts 1950 and 1979 or any statutory modification or re-enactment thereof for the time being in force. Unless the parties agree upon a sole arbitrator, one arbitrator shall be appointed by each party and the arbitrators so appointed shall appoint a third arbitrator, the decision of the three-man tribunal thus constituted or any two of them, shall be final. On the receipt by one party of the nomination in writing of the other party's arbitrator, that party shall appoint their arbitrator within fourteen days, failing which the decision of the single arbitrator appointed shall be final.
For disputes where the total amount claimed by either party does not exceed the amount stated in Box 25** the arbitration shall be conducted in accordance with the Small Claims Procedure of the London Maritime Arbitrators Association.
* (b) This Charter Party shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and should any dispute arise out of this Charter Party, the matter in dispute shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for purpose of enforcing any award, this agreement may be made a rule of the Court. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc..
For disputes where the total amount claimed by either party does not exceed the amount stated in Box 25** the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc..
* (c) Any dispute arising out of this Charter Party shall be referred to arbitration at the place indicated in Box 25, subject to the procedures applicable there. The laws of the place indicated in Box 25 shall govern this Charter Party.
(d) If Box 25 in Part I is not filled in, sub-clause (a) of this Clause shall apply.

* *(a), (b) and (c) are alternatives; indicate alternative agreed in Box 25.*
** *Where no figure is supplied in Box 25 in Part I, this provision only shall be void but the other provisions of this Clause shall have full force and remain in effect.*

Figure 15: Gencon

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Voyage charters are normally negotiated by shipbrokers on behalf of shipowners and cargo interests.

Associated abbreviation:
v/c voyage charter

Associated definitions:
To voyage charter Said of a charterer, to take a ship on voyage charter. Said of a shipowner, to charter his ship out-on a voyage charter basis.

Associated illustration:
Figure 15 Voyage charter-party (Gencon)

See also:
BIMCO (the Baltic and International Maritime Council)
Freight
Voyage charter – ship's position

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Voyage charter – ship's position

When advertising a ship, the shipowner or his broker may describe her as being **open** on or about a certain date, that is, the date when she becomes free to take on new employment. She may be **spot**, available almost immediately, or even **spot prompt**, immediately. She may be fixed to perform an **interim voyage**, undertaken between the time when she is to perform the voyage for which she is being advertised and the time she actually performs it. Alternatively, she may **ballast** directly to the loading port, that is, proceed there without a cargo.

During the negotiating stage, the shipowner may have more than one ship **coming free** (becoming available) and may not know which one will perform the voyage. He may therefore offer a named ship or **(similar) substitute**, or a **vessel tbn (to be nominated)** or a **vessel tba (to be advised)**, or simply a **tbn** or a **tba**. He will be required to either **nominate** or designate the exact ship by a certain time before commencement of the charter.

The date when the vessel is expected at a port or place, for example the load port or the discharge port, is the **eta (estimated time of arrival)**. She may **come forward**, have an estimated date of arrival which is earlier than previously given, or **go back** (alternatively **drop back**) with an estimated date later than previously given. The charter-party may stipulate that several eta's be given at agreed intervals prior to the ship's arrival at the load and discharge ports; these are normally given by the ship's master to the port agent and relayed to the charterer.

The **cancelling date** is the last date by which a ship must be available to the charterer at the agreed place at the commencement of the contract. If the

ship is not available by that date, the charterer may have the option to cancel the charter, depending on the exact agreement.

In the case of a voyage charter, both the shipowner and the charterer will want to be informed of the vessel's progress while in port and will be notified by the agent, probably on a daily basis: a vessel's **etr (estimated time of readiness)** is given to indicate when she is expected to be ready to take on cargo; when she is actually ready, she is said to be **load ready**. Her **etc, estimated time of completion** of loading (or discharging), **etd**, **estimated time of departure** and **ets**, **estimated time of sailing**, are given as indications at various times. Another way of expressing an indication of expectations for a ship is refer to her **prospects**. This could apply, for example, when indicating, or asking about, her arrival time or date of berthing, or date of completion of loading or discharging.

A ship's **itinerary** is a list of all the ports which the ship calls at on a particular voyage to load and discharge cargo; this list often includes her eta's and ets's. When incorporated into a set of instructions to the master of a ship for his next voyage, the itinerary may include ports where it is intended to take on bunkers. The **rotation** is the sequence in which the ship calls at these ports and, if in **geographical rotation**, the ship calls at each of the ports in turn utilising the most direct route.

Associated abbreviations:
eta estimated time of arrival
etc estimated time of completion
etd estimated time of departure
etr estimated time of readiness
ets estimated time of sailing
sim. **sub**. similar substitute
sub. Substitute
tba to be advised
tbn to be nominated

Associated definitions:
nomination designation of a specific ship for a particular voyage by the shipowner.
eda estimated date of arrival. Strictly, this is more appropriate than eta, especially when the date referred to is a long way off. However, it is less commonly used. The same applies to **eds**, estimated date of sailing

Associated terms:
substitution
to substitute

See also:
Arrived ship

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Voyage estimate

Calculation of the profitability of a prospective voyage of a ship using estimated figures. In the case of a tramp shipowner, the estimate is used to compare two or more voyages in order to determine which is the most profitable. Similarly, a time charterer would compare two or more ships so as to charter the one which is least costly overall. The content of an estimate varies according to the type and terms of the charter and whether the calculation is being made by a shipowner or charterer. For an owner, the principal costs are the running cost of the ship (or hire money for a time charterer), bunker costs, port charges and canal dues together with ship's agency fees and any cargo handling costs; the revenue is the daily hire, in the case of a time charter, or the freight, less any commission in the case of a voyage charter.

Increasingly, computer software is used to "run" voyage estimates and thus make as many comparisons as required in a short time.

The important elements required for a voyage estimate are:

- distance between relevant ports, including any ballast legs
- deadweight and cubic capacity
- consumption of fuel oil per day (normally in tonnes)
- consumption of diesel oil per day
- cost of fuel/cost of diesel
- speed
- port costs (load and discharge)
- canal dues, if any
- laytime.

The calculations made using the above and any other elements, are compared with the anticipated revenue to determine profit or loss. Depending on the software, they may also enable the shipowner or operator to determine the time-charter equivalents for various voyages so as to show which is the most profitable, or calculate break-even freight rates.

Associated abbreviation:
tce time-charter equivalent

Associated definition:
voyage account Statement of the costs and revenue of a voyage of a ship made after the voyage is completed when the income and all actual costs are known

War risk surcharge

Insurance underwriters face wide-ranging risks and these become greater as ships become more sophisticated and more expensive to build and repair. When shipping becomes at risk because of a war, underwriters will normally announce that a specific area has become a war zone and shipowners entering this zone are liable to pay an extra insurance premium. Liner operators faced with this extra cost – and it can be a sizeable amount – will generally seek to receiver the extra cost from shippers by introducing a temporary surcharge called a **war risk surcharge**. This is applied to the freight and can be expressed as a percentage or as an amount per container. To determine the level of the surcharge, the shipping lines estimate the revenue they will earn and divide the additional premium into it. When underwriters announce that an area is no longer officially a war zone, the shipping lines withdraw the surcharge.

When some areas or ports experience violence, some shipping lines implement an **extra risk insurance surcharge** to reflect additional premiums charged to them by underwriters.

Associated abbreviations:
eris extra risk insurance surcharge
wrs war risk surcharge

See also:
Liner surcharges

Waybill

Document, issued by a shipping line or shipowner to a shipper or charterer, which serves as a receipt for the goods and evidence of the contract of carriage. In these respects it resembles a bill of lading but, unlike a bill of lading, it is not a document of title; it bears the name of the consignee who has only to identify himself to take delivery of the cargo. Because it is not negotiable, the waybill is not acceptable to the banks as collateral security. The purpose of the waybill is to avoid delays to ships and cargoes which occur when bills of lading are late in arriving at the port of discharge or place of delivery. This document is also referred to as an **ocean waybill** or **sea waybill** and, when issued under a liner contract, a **liner waybill**.

Different waybills are available for different types of contract. BIMCO (the Baltic and International Maritime Council) publishes a variety of forms:

- The Blank Back Form of Non-negotiable Liner Waybill which, as its name suggests, has no conditions printed on its reverse but states on the front that

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it is subject to the carrier's standard terms and conditions. This enables it to be used by different shipping lines each having its own terms.

- Non-negotiable General Sea Waybill, codenamed **Genwaybill**, is issued pursuant to a voyage charter-party; the name, place and date of issue of the charter-party are specified on the face of the waybill.
- Non-negotiable Tanker Waybill, codenamed **Tankwaybill 81**, issued pursuant to a tanker charter-party, the details of which are specified on the face.
- Non-negotiable Chemical Tank Waybill, codenamed **Chemtankwaybill 85**, issued pursuant to a chemical tanker charter-party, the details of which are specified on the face.
- Non-negotiable Gas Tank Waybill for Use in the LPG Trade, codenamed **Gastankwaybill**, issued pursuant to an LPG (liquid or liquefied petroleum gas) charter-party, the details of which are specified on the face.
- Non-negotiable Liner Waybill, codenamed **Worldfoodwaybill**, issued in respect of liner contracts concluded with the UN/FAO World Food Programme in Rome.
- Combined Transport Sea Waybill, codenamed **Combiconwaybill**, issued in respect of a combined transport contract.
- Multimodal Transport Waybill, codenamed **Multiwaybill 95**, issued in respect of a multimodal transport contract.
- Liner sea waybill, codenamed **Linerwaybill**, subject to the CMI Uniform Rules for Sea Waybills.

See also:
BIMCO (the Baltic and International Maritime Council)
Charter-party bills of lading, waybills and cargo receipts
Combined transport
Combined transport bill of lading
Multimodal transport bill of lading

Weather routing

Service offered by a government department or private company whereby a shipowner or ship operator is provided with a route for his ship, devised by means of up-to-date weather predictions, which avoids severe weather conditions such as storms, fog and ice. This route is not necessarily the most direct but is expected to take less time since it avoids conditions which would require a reduction in speed. Additionally, the risks of heavy weather and, in extreme conditions, of injury to the crew, are reduced. A fee is charged for this service. Weather routing is also known as **ship routing**.

The advantages of weather routing are:

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- master can plan optimum route, taking into account safety and efficiency
- saves time
- saves fuel
- increased safety
- IMO identifies the contribution of ship routing to the protection of the marine environment.

Associated abbreviation:
IMO International Maritime Organization

Alternative spelling:
routeing

Weights and measures

The unit on which freight is calculated differs depending on the type of cargo and the type of contract. Many different units may be used of which the following are the most common:

- **tonne**, also referred as a **metric ton**: 1,000 kg
- **ton**, or **long ton**: 2,240 lb
- **net ton** or **short ton**: 2,000 lb
- **cubic metre**: metric unit of volume
- **cubic foot**: Imperial unit of volume
- **teu**: twenty-foot equivalent unit; unit of measurement equivalent to one 20-foot shipping container. Thus a 40-foot container is equal to two teu's.
- **feu**: forty-foot equivalent unit
- **lane metres**: unit of distance along the car deck of a ro-ro ship
- **board foot** (lumber): distance along the length of lumber
- **lump sum**: one amount irrespective of the quantity.

Freight may be calculated in a number of ways, depending on the individual contract. The principal distinction is between the weight of a cargo and its measurement. Generally, carriers aim to earn freight on whichever calculation (out of the weight or the cubic measurement) brings the greatest revenue. Thus very often freight is quoted on a **weight or measurement** basis, also called **weight or measure**. In this case, the rate of freight is multiplied by whichever is the greater, the number of cubic metres or the number of tonnes. This method of quoting freight applies particularly in cases where the ratio of a cargo's weight to its volume (its **stowage factor**) is not certain.

A cargo which measures less than one cubic metre to one tonne is known as a **weight rated cargo** or **weight cargo**. Freight is generally payable **per tonne weight** (often simply termed **per tonne**). Such freight is said to be payable **on the weight**.

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Conversely, a cargo which measures more than one cubic metre to one tonne is said to be **measurement rated cargo** or **measurement cargo**. Freight is normally payable **per cubic metre** and the freight is said to be payable **on the measure** or **on the measurement**.

Depending on the contract, the calculation of the freight may be based on the **intaken weight**, that is, the total amount of cargo loaded on the vessel, or possibly on the **outturn weight**, the quantity discharged. There may be a difference between these two weights, particularly in the case of bulk cargoes, because of circumstances such as wind (especially with fine cargoes), when a quantity of cargo can literally be blown away during cargo handling; this is known as **windage**. An allowance may or may not be made for the moisture content of a bulk cargo. If it is, the freight may be based on the **dry weight**; if not, it is based on the **wet weight**.

Tanker cargoes are often quoted by means of a scale called Worldscale. *See entry under* **Worldscale** *for an explanation*. Alternatively, cargoes may be quoted on a lump-sum basis.

Associated abbreviations:
cbm cubic metre
feu forty-foot equivalent unit
lm lane metre(s)
ls lump sum
lt long ton
mt metric ton
nt net ton or nett ton
teu twenty-foot equivalent unit
w/m weight or measure, weight or measurement

Worldscale

The concept of freight rate schedules originated during the Second World War.

Before the war, rates of freight for tanker voyage charters were expressed in dollars or shillings and pence per long ton (there were 20 shillings to a pound, 12 pence in a shilling). This meant that when a charterer required wide loading or discharging options it was necessary to agree many rates of freight.

During the war, first the British Government and later the US Government requisitioned shipping and owners received compensation on the basis of a daily hire rate.

However, from time to time, the government was able to make requisitioned tankers available on a voyage basis to the major oil companies for their private use, particularly during the period from the end of hostilities until control of shipping was relinquished. On such occasions, the oil companies

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paid freight to the government concerned and the rate of freight, which was dependent upon the voyage performed, was determined in accordance with a scale or schedule of rates laid down by that government.

The rates were calculated so that, after allowing for port costs, bunker costs and canal expenses, the net daily revenue was the same for all voyages.

Here, then, was the genesis of the principle for tanker rate schedules, namely that owners should receive the same net daily revenue irrespective of the voyage performed.

The last schedule of tanker voyage rates to be issued by the British Ministry of Transport gave rates effective at 1 January 1946. This schedule became known simply as "MOT". Similarly, the last rates to be issued by the United States Maritime Commission, which took effect from 1 February 1946, became known as "USMC".

In fact, government control of shipping continued until 1948. By that time the tanker trade had come to recognise the advantages of freight rate schedules and so, in the free market, the system of negotiating in terms of MOT or USMC plus or minus a percentage as dictated by the demand/ supply position in the market evolved.

Between 1952 and 1962 a number of different schedules were issued as a service to the tanker trade by non-governmental bodies: Scales Nos 1, 2 and 3 and then Intascale in London, ATRS in New York.

Then in 1969, there came the joint London/New York production issued to replace both Intascale and ATRS called the "Worldwide Tanker Nominal Freight Scale", more usually known under its code name "Worldscale".

The full name is mentioned because it provides the opportunity to stress the word "nominal" and to emphasise that it was only during the period of government control that the schedule rates were intended to be used as actual rates. Subsequently, the freely negotiated percentage adjustments to the scale rates have determined the actual rate used for the payment of freight.

Incidentally, with the introduction of Worldscale, it became the custom to express market levels of freight in terms of a direct percentage of the scale rates instead of a plus or minus percentage. This method is known as "Points of Scale" and thus Worldscale 100 means 100 points or 100 per cent of the published rate or, in other words, the published rate itself, sometimes referred to as Worldscale flat, while Worldscale 250 means 250 points or 250 per cent of the published rate and Worldscale 30 means 30 points or 30 per cent of the published rate. Under the older method these would have been referred to as plus 250 and minus 70 per cent respectively.

During its life span, from September 1969 until the end of 1988, Worldscale was regularly revised for changes in bunker prices and port costs but the fixed daily hire element of $1,800 remained constant.

Finally, to bring the story up to date, "New Worldscale" was introduced with effect from 1 January 1989. However, in deference to the custom that emerged in the trade, the epithet "new" was soon dropped. It is generally

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understood that "Worldscale" refers to the new scale, while the previous scale is called "Old Worldscale".

Until the introduction of Old Worldscale, the various scales issued in London were all based on the old MOT rate of 32/6d (thirty-two shillings and six pence) for the voyages Curaçao to London. Indeed, the daily hire element of $1,800 used for Old Worldscale was indirectly related to that rate, in so far as this, at the rate of exchange of £1/$2.40 (as applied in 1969), was close to the sterling hire rate for its immediate predecessor Intascale.

It was only when a replacement for the old Worldscale was being considered that a systematic attempt was made to establish, by a series of lengthy exercises, the size of standard vessel and the relevant daily hire element that would provide the best practicable basis for a scale. It was concluded, from the results of these exercises, that a standard vessel with a carrying capacity of 75,000 tonnes and a daily hire element of $12,000 was likely to provide a basis for such a scale to be used during the 1990s.

Both "Worldscales" are the joint endeavour of two non-profit making organisations known as Worldscale Association (London) Limited and Worldscale Association (NYC) Inc standing of course for New York City. Each company is under the control of a management committee, the members of which are senior brokers from leading tanker broking firms in London and New York respectively.

Worldscale is available on a subscription basis and the annual fee entitles the subscriber not only to the Schedule itself but also to notices of all amendments and the right to request rates for any voyage not shown in the Schedule.

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additional freight	Breakbulk liner ancillary charges; Freight; Penalties
address commission	Sundry charter-party clauses (found in both voyage and time charters)
address commission clause	Sundry charter-party clauses (found in both voyage and time charters)
Aden Gulf Surcharge	Liner surcharges
Advance Cargo Declaration Clause for Time Charter Parties 2012	BIMCO sundry clauses
advance freight	Freight
advance on freight	Freight
Aframax	Tankers
agency clause	Sundry voyage charter-party clauses
agency fee	Ship's agent
agent	FONASBA (Federation of National Associations of Shipbrokers and Agents); ICS (Institute of Chartered Shipbrokers); Ship operating costs; Ship's agent
air draught	Draught; Ship's dimensions and capacities
all in rate	Container freight; Conventional freight and the export contract; Freight
all purposes	Laytime
all time saved	Laytime
alliance	Liner shipping – how it is structured
alumina carrier	Bulk carriers
American Bureau of Shipping	Classification societies
ammonia carrier	Tankers
ammonia tanker	Tankers
Amwelsh 93	Strike clause
annual survey	Surveys
arbitration clause	BIMCO sundry clauses; Sundry charter-party clauses (found in both voyage and time charters)
arbitrator	Shipping
area differential	Liner surcharges
arrival pilot station any time day or night Sundays and holidays included	Delivery and re-delivery (time-charter)
arrived ship	Arrived ship
as agent only	Ship's agent

Term	*See under*
asphalt tanker	Tankers
assign	Sundry charter-party clauses (found in both voyage and time charters)
assignment	Sundry charter-party clauses (found in both voyage and time charters)
at berth	Berth
autonomous port	Port types
Average Freight Rate Assessments	London Tanker Brokers' Panel
average laytime	Laytime
Average Bond Clause 2007	BIMCO sundry clauses
averaged (laytime)	Laytime
back to back conditions	Sub-charter
backfreight	Freight; Penalties
bale	Ship's dimensions and capacities
bale capacity	Ship's dimensions and capacities
ballast	Ballast; Voyage charter – ship's position
ballast bonus	Ballast
ballast leg	Ballast
ballast tank	Ballast
ballast water	International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM)
ballasting	Ballast
Baltic Code	Shipbroker
Baltic Exchange	Indices and derivatives
Baltic Exchange Capesize Index	Indices and derivatives
Baltic Exchange Clean Tanker Index	Indices and derivatives
Baltic Exchange Demolition Assessments	Indices and derivatives
Baltic Exchange Dirty Tanker Index	Indices and derivatives
Baltic Exchange Dry Index	Indices and derivatives
Baltic Exchange Handy Index	Indices and derivatives
Baltic Exchange Handyman Index	Indices and derivatives
Baltic Exchange Handysize Index	Indices and derivatives
Baltic Exchange LPG	Indices and derivatives
Baltic Exchange Palm Oil Assessment	Indices and derivatives
Baltic Exchange Panamax Index	Indices and derivatives
Baltic Exchange Sale & Purchase Assessments	Indices and derivatives
Baltic Exchange Supramax	Indices and derivatives
Baltic Exchange Tanker Routes Asia	Indices and derivatives
Baltime 1939	BIMCO time charter-parties
banana carrier	Dry cargo ships
bank	Shipping
bar draught	Draught
bareboat charter	Chartering
bareboat charter-party	Chartering
Barecon 2001 (revised)	BIMCO sundry documents
barge	Shipping
barge-carrying ship	Dry cargo ships
Bargehire 2008	BIMCO sundry documents

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Term	*See under*
basket of currencies	Currency adjustment factor
beam	Ship's dimensions and capacities
berth	Berth
berth charter-party	Berth
berth dues	Berth
berth standard of average clause	Sundry voyage charter-party clauses
berthage	Berth
berthing dues	Berth
bill of lading	Bill of lading – common clauses
bill of lading weight	Charter freight terms
bill of sale	Sale & Purchase (s&p)
Bimchemtime 2005	BIMCO time charter-parties
Bimchemtime Vetting and Inspection Clause	BIMCO sundry clauses
BIMCO	BIMCO sundry clauses; Bunkers
BIMCO Charter Party Guarantee	BIMCO sundry documents
BIMCO Standard Bunker Contract	BIMCO sundry documents; Bunkers
BIMCO Vegoil Tank Pre-wash Clause	BIMCO sundry clauses
bitumen carrier	Tankers
black cargoes	Cargo types
black products	Tankers
Blank Back Form of Non-negotiable Liner Waybill	Waybill
board foot	Weights and measures
boiler survey	Surveys
book space	Bookings
booking	Bookings; Liner contracts
booking list	Bookings
booking note	Bookings
Both-to-Blame Collision Clause	BIMCO sundry clauses; Both to blame collision clause; Sundry voyage charter-party clauses
bottom survey	Surveys
box	Container ancillary charges; Containers and container types
box hold ship	Ship types
box holder	Ship types
box rate	Container freight
Boxchange	BIMCO sundry documents
Boxlease	BIMCO sundry documents
Boxtime 2004	BIMCO time charter-parties
broker	Shipping
brokerage clause	Sundry charter-party clauses (found in both voyage and time charters)
brokerage commission clause	Sundry charter-party clauses (found in both voyage and time charters)
Bptime3	BIMCO time charter-parties
brackish water	Draught
breakbulk	Cargo types
breakbulk cargoes	Cargo types
breakbulk ship	Ship types
broker	Shipbroker
bulk cargo	Cargo types; International Maritime Solid Bulk Cargoes (IMSBC) Code
bulk carrier	Ballast; Bulk carriers; International Convention for the Safety of Life at Sea (SOLAS)
Bulk Carrier Safety Clause	BIMCO sundry clauses

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Term	*See under*
bulk container	Containers and container types
bulk discharge open top container	Containers and container types
bulk newsprint carrier	Bulk carriers; Multipurpose ships
Bulk Shipping Quality Clause for Voyage Charter Parties	BIMCO sundry clauses
bulk/container carrier	Bulk carriers; Multipurpose ships
bulk/oil carrier	Multipurpose ships
bulk/ore carrier	Bulk carriers
bunker adjustment factor	Bunkers
bunker barge	Bunkers
bunker broker	Bunkers; Shipbroker
Bunker C	Bunkers
Bunker Clauses for Time Charter Parties	BIMCO sundry clauses
bunker delivery note	Bunkers
bunker deviation clause	Bunkers; Sundry voyage charter-party clauses
bunker escalation clause	Bunkers; Sundry voyage charter-party clauses
Bunker Fuel Sulphur Content Clause for Time Charter Parties 2005	Bunkers
Bunker Price Adjustment Clause	BIMCO sundry clauses; Bunkers
Bunker Quality Control Clause for Time Chartering	BIMCO sundry clauses
Bunker Rise Clause for Voyage Chartering	BIMCO sundry clauses; Bunkers
bunker stem	Bunkers
bunker surcharge	Liner surcharges
Bunker Supply and Payment Clause for Voyage Charters (Tank Vessels) (Approved by the Documentary Committee of INTERTANKO)	BIMCO sundry clauses
bunker surcharge	Bunkers
bunkering	Post fixture work
bunkering clause	Sundry voyage charter-party clauses
bunkering port	Bunkers; Port types
bunkers	Bill of lading – common clauses; Bunkers; International Bunker Industry Association Ltd (IBIA)
bunkers clause	Sundry time charter-party clauses
Bureau Veritas	Classification societies
butane carrier	Tankers
cable ship	Dry cargo ships
cabotage	Flag
Calcutta – Sandheads Clause	BIMCO sundry clauses
CANCELCON 2002	BIMCO sundry clauses
cancellation clause	Cancellation of a charter; Sundry voyage charter-party clauses
cancellation of a charter	Cancellation of a charter; Ice clause
cancelling clause	Cancellation of a charter; Sundry voyage charter-party clauses
Cancelling Clause 2002	BIMCO sundry clauses; Cancellation of a charter
cancelling date	Cancellation of a charter; Laytime; Voyage chartership's position
capacity plan	Ship's dimensions and capacities
Capesize vessel	Bulk carriers; Ship types
car carrier	Vehicle carriers

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Term	*See under*
car demurrage	Penalties
car ferry	Vehicle carriers
Cargo Handling Gear Clause	BIMCO sundry clauses; Sundry voyage charter-party clauses
cargo plan	Stowage
cargo receipt	Charter-party bills of lading, waybills and cargo receipts
cargo survey	Surveys
cargo tracer	Manifest; Tally
carriage and insurance paid to	Incoterms
Carriage of Nuclear Materials	BIMCO sundry clauses
carriage paid to	Incoterms
carrier	Bill of lading – common clauses; Carrier; Shipping
carrier haulage	Container freight; Inland haulage
cassette carrier	Dry cargo ships
Category 1 tankers	Tankers
Category 2 tankers	Tankers
Category 3 tankers	Tankers
cattle carrier	Dry cargo ships
cell	Container ancillary charges
cell guides	Ship types
cellular barges	Cargo types
cellular containerships	Cargo types; Ship types
cellular palletwide container	Containers and container types
cement carrier	Bulk carriers
certificate of shipment	Shipping documents
cesser clause	Bill of ladingcommon clauses; Sundry charter-party clauses (found in both voyage and time charters); Sundry voyage charter-party clauses
change of destination	Change of destination
change of destination charge	Change of destination
change of destination fee	Change of destination
chart datum	Tides
charter	Chartering
charter by demise	Chartering
charterable quantity	Charter freight terms; Chartering
chartered in	Chartering
chartered out	Chartering
charterer	Chartering; International Bunker Industry Association Ltd (IBIA)
charterer's agent	Ship's agent
charterers' agents	Ship's agent
chartering	Chartering; ICS (Institute of Chartered Shipbrokers)
chartering agent	Shipbroker
charterer's bill of lading	Charter-party bills of lading, waybills and cargo receipts
charterer's broker	Chartering; Shipbroker
charterers to provide clause	Sundry time charter-party clauses
charter-party	Bill of lading – common clauses; BIMCO (Baltic and International Maritime Council); Chartering; Charter-party bills of lading, waybills and cargo receipts
charter-party bill of lading	Charter-party bills of lading, waybills and cargo receipts
charts agents	Ship's agent
Chemtankwaybill 85	Charter-party bills of lading, waybills and cargo receipts; Waybill
China Classification Society	Classification societies
China (Export) Containerized Freight Index	Indices and derivatives
Chinamax	Bulk carriers
cif free out	Conventional freight and the export contract
cif landed	Conventional freight and the export contract

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Term	*See under*
cif ship's hold	Conventional freight and the export contract
CIM Rail Consignment Note	Consignment; Shipping documents
classification register	Classification societies
classification society	Classification societies
classification survey	Classification societies; Surveys
clause paramount	Bill of lading – common clauses; Sundry charter-party clauses (found in both voyage and time charters); Sundry voyage charter-party clauses
clean petroleum products	Cargo types; Tankers
clean products	Cargo types; Tankers
close	Liner ship positions
closed conference	Liner shipping – how it is structured
closing date	Liner ship positions
CMR International Consignment Note	Consignment; Shipping documents
CMR Road Consignment Note	Consignment
coaster	Ship types
coasting broker	Shipbroker
Collier	Bulk carriers
co-loader	Liner shipping – how it is structured
Combiconbill	Combined transport bill of lading; Combined transport, intermodal transport, multimodal transport, through transport, co-modality
Combiconwaybill	Combined transport bill of lading; Combined transport, intermodal transport, multimodal transport, through transport, co-modality; Waybill
combined transport	Combined transport bill of lading; Combined transport, intermodal transport, multimodal transport, through transport, co-modality; Freight
combined transport bill of lading	Combined transport bill of lading; Combined transport, intermodal transport, multimodal transport, through transport, co-modality; Freight; Shipping documents
combined transport document	Combined transport bill of lading; Combined transport, intermodal transport, multimodal transport, through transport, co-modality; Freight
combined transport operator	Carrier
combined transport sea waybill	Combined transport, intermodal transport, multimodal transport, through transport, co-modality; Waybill
come forward	Liner ship positions; Voyage charter – ship's position
coming free	Chartering – offer and counter-offer; Voyage charter – ship's position
commencement of laytime	Laytime
commercial operation	Ship operating costs
common berth	Berth
common carrier	Carrier
common short form bill of lading	Shipping documents
common user berth	Berth
co-modality	Combined transport, intermodal transport, multimodal transport, through transport, co-modality
competitive broker	Shipbroker
compression damage	Stowage
conbulker	Bulk carriers; Multipurpose ships
conference	Liner shipping – how it is structured
conference tariff	Liner and conference tariffs
Confirmation Note	Bunkers
congestion	Congestion

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Term	*See under*
congestion fee	Congestion
congestion surcharge	Congestion; Liner surcharges
Conlinebill 2000	Bookings
Conlinebooking 2000	BIMCO sundry documents; Bookings
Con-ro ship	Multipurpose ships
consign	Consignment
consignee	Consignment
consignment	Consignment
consignment note	Consignment
consignor	Consignment; Shipping
consolidation	Container freight
consortium	Liner shipping – how it is structured
constants	Ship's dimensions and capacities
container	Container ancillary charges; Containers and container types; International Convention for Safe Containers (CSC)
container freight station	Container freight
container port	Port types
Container Ship Time Charter Assessment Index	Indices and derivatives
containerable	Cargo types
container/barge carrier	Multipurpose ships
container/bulk carrier	Bulk carriers; Multipurpose ships
containeriszble	Cargo types
containerized cargo	Cargo types
container/pallet carrier	Multipurpose ships
Containers Clause 2002	BIMCO sundry clauses
containership	Ship types
Containership Charter Rate Index	Indices and derivatives
ConTex	Indices and derivatives
continuous survey	Surveys
contract of affreightment	Ballast; Chartering; Contract of affreightment
contract of carriage	Carrier
contractor	Liner contracts
contractor's rebate	Liner contracts
conventional cargo	Cargo types
conventional service	Cargo types
conventional ship	Cargo types; Ship types
CONWARTIME 2013	BIMCO sundry clauses
CONWAY	BIMCO sundry clauses
corresponding draught	Draught
cost and freight	Incoterms
cost currency	Currency adjustment factor
cost,insurance and freight	Incoterms
counter	Chartering – offer and counter-offer
counter-offer	Chartering – offer and counter-offer
Crewman A 2009	BIMCO sundry documents
Crewman B 2009	BIMCO sundry documents
Croatian Register of Shipping	Classification societies
currency adjustment charge	Currency adjustment factor
cubic foot	Weights and measures
cubic metre	Weights and measures
currency adjustment factor	Breakbulk liner ancillary charges; Currency adjustment factor; Liner surcharges
currency and bunker adjustment factor	Currency adjustment factor
Currency Clause	BIMCO sundry clauses
currency of account	Currency adjustment factor

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Term	*See under*
Customs broker	Shipping
Customs manifest	Manifest
daily running cost	Ship operating costs
damages for detention	Penalties
dangerous goods	Dangerous goods; International Convention for the Safety of Life at Sea (SOLAS)
Dangerous Goods Declaration	Shipping documents
dangerous goods manifest	Manifest
dangerous goods note	Shipping documents
data plate	Container ancillary charges
deadfreight	Bill of lading – common clauses; Freight
deadweight	Ship's dimensions and capacities
deadweight all told	Ship's dimensions and capacities
deadweight cargo capacity	Ship's dimensions and capacities
deadweight carrying capacity	Ship's dimensions and capacities
deadweight scale	Ship's dimensions and capacities
deck cargo clause	Bill of lading – common clauses
deck line	Ballast; Freeboards and load lines; International Convention on Load Lines
deep sea vessel	Ship types
deferred rebate	Liner contracts
Delay for Charterers' Purposes Clause	BIMCO sundry clauses
delivered at place	Incoterms
delivered at terminal	Incoterms
delivered duty paid	Incoterms
delivered in charge	Container ancillary charges
delivered weight	Charter freight terms
delivery	Delivery and re-delivery (time-charter)
Delivery and Re-delivery Surveys Clause	BIMCO sundry clauses
delivery certificate	Delivery and re-delivery (time-charter)
demise clause	Bill of lading – common clauses; Carrier; Sundry time charter-party clauses; Sundry time charter-party clauses
Demolishcon	BIMCO sundry documents; Sale & Purchase (s&p)
demurrage	Bill of lading – common clauses; Congestion; Conventional freight and the export contract; Ice clause; Laytime; Penalties
demurrage clause	Bill of lading – common clauses
demurrage/despatrch (dispatch) clause	Sundry voyage charter-party clauses
depth of water	Draught
derivatives	Indices and derivatives
Designated Entities Clause for Charter Parties	BIMCO sundry clauses
despatch (money)	Conventional freight and the export contract; Penalties
destuff	Container ancillary charges; Container freight; Containers and container types
Det Norske Veritas	Classification societies
detention charges	Penalties
devan	Container freight
deviation	Bill of lading – common clauses
deviation clause	Bill of lading – common clauses; Sundry charter-party clauses (found in both voyage and time charters); Sundry voyage charter-party clauses
direct additional	Breakbulk liner ancillary charges; Liner shipping – trades

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Term	*See under*
dirty petroleum products	Cargo types; Tankers
dirty products	Cargo types; Tankers
disbursements	Disbursements; Post fixture work
disbursements account	Disbursements
disbursements clerk	Disbursements
discharging berth	Berth
discharging rights	Liner shipping – how it is structured
discount in lieu of weighing	Charter freight terms
discussion agreement	Liner shipping – how it is structured
dispensation	Liner contracts
disponent owner	Carrier; Chartering; Sub-charter
Dispute Resolution Clauses	BIMCO sundry clauses; Sundry voyage charter-party clauses
distributed survey	Surveys
documentation charge	Liner ancillary charges
documentation fee	Liner ancillary charges
documentation surcharge	Liner ancillary charges
down by the head	Draught
down to her marks	Draught
draft	Draught; Freeboards and load lines; Ship's dimensions and capacities
draught	Draught; Freeboards and load lines; Ship's dimensions and capacities
draught limitation	Draught
draught marks	Draught; Ship's dimensions and capacities
draught survey	Surveys
draw	Draught
dredger	Dry cargo ships
drop back	Liner ship positions; Voyage charter – ship's position
dropping outward pilot	Delivery and re-delivery (time-charter)
dry bulk container	Containers and container types
dry cargo	Cargo types
dry cargo broker	Shipbroker
dry cargo ships	Dry cargo ships
dry freight container	Container ancillary charges; Containers and container types
dry weight	Weights and measures
drydocking clause	Sundry time charter-party clauses
dual rate contract	Liner contracts
Dunnage Removal Clause for Time Charter Parties	BIMCO sundry clauses
dwell time	Congestion
edible oil carrier	Tankers
emission control area	International Convention for the Prevention of Pollution from Ships (MARPOL)
equipment positioning charge	Liner ancillary charges
equipment re-positioning charge	Liner ancillary charges
estimated date of arrival	Voyage charter – ship's position
estimated date of sailing	Voyage charter – ship's position
estimated time of arrival	Liner ship positions; Voyage charter – ship's position
estimated time of completion	Voyage charter – ship's position
estimated time of departure	Liner ship positions; Voyage charter – ship's position
estimated time of readiness	Voyage charter – ship's position
estimated time of sailing	Liner ship positions; Voyage charter – ship's position
EU Advance Cargo Declaration Clause for Time Charter Parties 2012	BIMCO sundry clauses

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Term	*See under*
EU Advance Cargo Declaration Clause for Voyage Charter Parties 2012	BIMCO sundry clauses
europallet	Containers and container types
European Sea Ports Organisation	ESPO (European Sea Ports Organisation)
European Shippers' Council	ESC (European Shippers' Council)
even if used	Laytime
Evidence of Performance Clause	BIMCO sundry clauses
ex works	Incoterms
excepted periods	Laytime
excepted periods clause	Sundry voyage charter-party clauses
exceptions clause	Bill of lading – common clauses; Sundry charter-party clauses (found in both voyage and time charters); Sundry voyage charter-party clauses
excess landing	Tally
exclusive broker	Shipbroker
expiry of class	Classification societies
Export Cargo Shipping Instructions	Shipping documents
extension of the cancellation date	Laytime
extra insurance clause	Sundry voyage charter-party clauses
extra risk insurance surcharge	War risk surcharge
fast as can	Conventional freight and the export contract
fast as can custom of the port	Conventional freight and the export contract
FBL (negotiable FIATA Multimodal Transport Bill of Lading)	FIATA documents
FCL	Change of destination
fcl allowance	Container ancillary charges
Federal Maritime Commission	FMC (Federal Maritime Commission)
Federation of European Maritime Associations of Surveyors and Consultants	FEMAS (Federation of European Maritime Associations of Surveyors and Consultants)
Federation of National Associations of Shipbrokers and Agents	FONASBA (Federation of National Associations of Shipbrokers and Agents)
feeder	Liner shipping – trades
feeder additional	Breakbulk liner ancillary charges; Liner shipping – trades
feeder port	Liner shipping – trades; Port types
feeder ship	Breakbulk liner ancillary charges; Liner shipping – trades; Port types
ferry port	Port types
FFI (FIATA Forwarding Instructions)	FIATA documents
FIATA FCR (Forwarders Certificate of Receipt)	FIATA documents
FIATA FCT (Forwarders Certificate of Transport)	FIATA documents; Shipping documents
FIATA SDT (Shippers Declaration for the Transport of Dangerous goods)	FIATA documents
final disbursements account	Disbursements

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Term	*See under*
firm offer	Chartering – offer and counter-offer
fix a ship	Chartering – offer and counter-offer; Post fixture work
fixed on subjects	Shipbroker
fixture	Chartering – offer and counter-offer; Shipbroker
flag	Flag
flag discrimination	Flag
flag of convenience	Flag
flag of necessity	Flag
flag out	Flag
flag waiver	Flag
flat	Containers and container types
flatrack	Containers and container types
float-in float-out	Dry cargo ships
FOB charges	Breakbulk liner ancillary charges; Conventional freight and the export contract
FOBs	Breakbulk liner ancillary charges
forty-foot equivalent unit	Weights and measures
forty-footer	Container ancillary charges; Containers and container types
forward freight agreement	Indices and derivatives
forwarder	FIATA (International federation of Freight Forwarders Associations); Shipping
Forwarders Certificate of Receipt	FIATA documents
Forwarders Certificate of Transport	FIATA documents
forwarding agent	Shipping
Forwarding Instructions	FIATA documents
fourth party logistics	Shipping
free alongside ship	Incoterms
free carrier	Incoterms
free despatch	Penalties
free in and out	Charter freight terms
free in and out and stowed	Charter freight terms
free in and out and stowed, lashed , secured and dunnaged	Charter freight terms
free in and out and trimmed	Charter freight terms
free in liner out	Conventional freight and the export contract
free in liner terms discharge	Conventional freight and the export contract
free on board	Incoterms
free port	Port types
free pratique	Arrived ship
free time	Laytime
free trade zone	Port types
free zone	Port types
freeboard	Ballast; Freeboards and load lines; International Convention on Load Lines
freight	Bill of lading – common clauses; Container freight; Conventional freight and the export contract; Freight; Post fixture work; Ship operating costs; Sub-charter; Worldscale
freight all kinds	Container freight; Liner and conference tariffs
freight clause	Bill of lading – common clauses; Sundry voyage charter-party clauses
freight collect	Freight
freight conference	Liner shipping – how it is structured
freight container	Containers and container types; International Convention for Safe Containers (CSC)
freight forward	Freight

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Term	*See under*
freight forwarder	FIATA (International Federation of Freight Forwarders Associations); FIATA documents; Shipping
freight indices	Indices and derivatives
freight payable at destination	Freight
freight prepaid	Freight
freight rate	Liner and conference tariffs; London Tanker Brokers' Panel; Worldscale
freight tariff	Liner and conference tariffs
freight ton	Conventional freight and the export contract; Freight
freighted manifest	Manifest
fresh water allowance	Draught; Freeboards and load lines
fruit carrier	Dry cargo ships
fuel adjustment factor	Bunkers
Fuel Oil No.6	Bunkers
fuel oil surcharge	Bunkers
Fuelcon	Bunkers
full and complete cargo	Charter freight terms; Ship's dimensions and capacities
full and down	Draught; Ship's dimensions and capacities
full container load	Container freight
full liner terms	Conventional freight and the export contract
FWR (FIATA Warehouse Receipt)	FIATA documents
Gastankwaybill	Charter-party bills of lading, waybills and cargo receipts; Waybill
Gastime	BIMCO time charter-parties
geared ship	Ship types
gearless	Ship types
Gencoa	BIMCO sundry documents
Gencon 94	Arrived ship; Both to blame collision clause; Contract of affreightment
general average	Bill of lading – common clauses; BIMCO sundry clauses
General Average Absorption Clause	BIMCO sundry clauses
general average clause	Bill of lading – common clauses; Sundry voyage charter-party clauses
general cargo	Cargo types
general cargo ship	Ship types
general purpose container	Container ancillary charges; Containers and container types
general rate increase	Liner and conference tariffs
generals	Cargo types
Gentime	BIMCO time charter-parties
Genwaybill	Waybill
geographical rotation	Bill of lading – common clauses; Voyage charter – ship's position
Germanischer Lloyd	Classification societies
go back	Liner ship positions; Voyage charter – ship's position
governing law clause	Sundry charter-party clauses (found in both voyage and time charters)
grain	Ship's dimensions and capacities
grain capacity	Ship's dimensions and capacities
grid haulage rates	Inland haulage
gross register tonnage	Ship's dimensions and capacities
gross registered tonnage	Ship's dimensions and capacities
gross tonnage	International Convention on Tonnage Measurement of Ships; Ship's dimensions and capacities
gross terms	Charter freight terms
groupage	Container freight

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Term	*See under*
Guarantee Clauses	BIMCO sundry clauses
Guardcon	BIMCO sundry documents
Gulf of Aden (emergency piracy) surcharge	Liner surcharges
Gulf of Mexico Oil Spill Clause for Voyage Charter Parties	BIMCO sundry clauses
Hague Rules	Bill of lading – common clauses
Hague-Visby Rules	Bill of lading – common clauses
half-height container	Containers and container types
Hamburg Rules Charter Party Clause	BIMCO sundry clauses
Hamburg Shipbrokers' Association	Indices and derivatives
handover charge	Container freight; Inland haulage
handymax	Bulk carriers
handysized bulk carrier	Bulk carriers
handysized bulker	Bulk carriers
handysized tanker	Tankers
hazardous cargo additional	Dangerous goods
hazardous cargo surcharge	Dangerous goods
Hazardous Materials Inventory Clause	BIMCO sundry charges
head charter	Sub-charter
head charterer	Carrier; Sub-charter
head charter-party	Sub-charter
heavy fuel oil	Bunkers
heavy lift additional	Breakbulk liner ancillary charges
heavy lift cargo additional	Breakbulk liner ancillary charges
heavy lift charge	Container ancillary charges
heavy lift extra	Breakbulk liner ancillary charges
heavy lift ship	Dry cargo ships
heavy weight additional	Breakbulk liner ancillary charges
Heavycon 2007 charter	Charter-party bills of lading, waybills and cargo receipts
Heavyconreceipt	Charter-party bills of lading, waybills and cargo receipts
Hellenic Register of Shipping	Classification societies
high cube reefer	Containers and container types
highest astronomical tide	Tides
Himalaya Clauses for Passenger Tickets	BIMCO sundry clauses
hire clause	Sundry time charter-party clauses
hire payment clause	Sundry time charter-party clauses
hire money	Post fixture work; Ship operating costs
Hold Cleaning/Residue Disposal Clause for Time Charter Parties 2013	BIMCO sundry clauses
house bill of lading	Shipping documents
house flag	Flag
house to house	Container freight
hub and spoke service	Liner shipping – trades
Hull Fouling Clause for Time Charter Parties	BIMCO sundry clauses
ice	Ice clause
ice clause	Ice clause; Sundry charter-party clauses (found in both voyage and time charters); Sundry voyage charter-party clauses
Ice Clause for Time Charter Parties	BIMCO sundry clauses

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Term	*See under*
Ice Clause for Voyage Charter Parties	BIMCO sundry clauses
ice surcharge	Liner surcharges
ice-breaker	Dry cargo ships
ice-breaking bulk carrier	Bulk carriers
ICHCA International	ICHCA International
identity of carrier clause	Bill of lading – common clauses; Carrier; Sundry time charter-party clauses
IMB (International Maritime Bureau)	IMB (International Maritime Bureau)
IMDG Code	Dangerous goods
immediate rebate	Liner contracts
IMO additional	Liner ancillary charges
IMO surcharge	Liner ancillary charges
in bulk	Cargo types
in free pratique	Arrived ship
Incoterms	Incoterms
independent line	Liner shipping – how it is structured
index-linked container contract	Indices and derivatives
index-linked contract	Indices and derivatives
Indian Register of Shipping	Classification societies
indices	Indices and derivatives
induce	Breakbulk liner ancillary charges
inducement	Port types
inducement cargo	Breakbulk liner ancillary charges; Liner shipping – trades; Port types
inducement port	Liner shipping – trades; Port types
inflation adjustment factor	Liner surcharges
inland container depot	Container freight
Institute of Chartered Shipbrokers	ICS (Institute of Chartered Shipbrokers)
insulated container	Containers and container types
intaken weight	Weights and measures
Intercargo	Intercargo
Intercoa 80	Contract of affreightment
interim fuel participation	Bunkers
interim voyage	Voyage charter – ship's position
InterManager	InterManager
intermediate survey	Surveys
intermodal tariff	Combined transport, intermodal transport, multimodal transport, through transport, co-modality
intermodal transport	Combined transport, intermodal transport, multimodal transport, through transport, co-modality
International Association of Classification Societies Ltd.	IACS (International Association of Classification Societies Ltd.)
International Association of Dry Cargo Shipowners	Intercargo
International Association of Ports and Harbors	IAPH (International Association of Ports and Harbors)
International Bunker Industry Association Ltd (IBIA)	International Bunker Industry Association Ltd (IBIA)
International Chamber of Shipping	International Chamber of Shipping
International Conference on Load Lines	Freeboards and load lines
International Convention for Safe Containers (CSC)	International Convention for Safe Containers (CSC)

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Term	*See under*
International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM)	International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM)
International Convention for the Prevention of Pollution from Ships (MARPOL)	International Convention for the Prevention of Pollution from Ships (MARPOL)
International Convention for the Safety of Life at Sea (SOLAS)	International Convention for the Safety of Life at Sea (SOLAS)
International Convention on Load Lines	International Convention on Load Lines
International Convention on Oil Pollution Preparedness, Response and Co-operation (OPRC)	International Convention on Oil Pollution Preparedness, Response and Co-operation (OPRC)
International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW)	International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW)
International Convention on Tonnage Measurement of Ships	International Convention on Tonnage Measurement of Ships
International Federation of Freight Forwarders Associations	FIATA (International Federation of Freight Forwarders Associations)
International Group of P&I Clubs Himalaya Clause for Bills of Lading and Other Contracts	BIMCO sundry clauses
International Group of P&I Clubs Financial Security In Respect Of Pollution Clause	BIMCO sundry clauses
International Group of P&I Clubs Oil Pollution Indemnity Clause for penalties and fines	BIMCO sundry clauses
International Harbour Masters' Association	IHMA (International Harbour Masters' Association)
International Maritime Organization	IMO (International Maritime Organization); International Convention for Safe Containers (CSC); International Convention for the Safety of Life at Sea (SOLAS); International Convention on Load Lines; International Convention on Oil Pollution Preparedness, Response and Co-operation (OPRC); International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW); International Convention on Tonnage Measurement of Ships; International Maritime Solid Bulk Cargoes (IMSBC) Code; ISM Code; ISPS Code; Protocol on Preparedness, Response and Co-operation to pollution Incidents by Hazardous and Noxious Substances, 2000 (OPRC-HNS Protocol)
International Maritime Solid Bulk Cargoes (IMSBC) Code	International Maritime Solid Bulk Cargoes (IMSBC) Code

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Term	*See under*
International Transport Workers' Federation	ITF (International Transport Workers' Federation)
Intertanko	BIMCO time charter-parties; Intertanko
Intertanktime 80	BIMCO time charter-parties
inward manifest	Manifest
ISM Clause	BIMCO sundry clauses
ISMA Code of Ship Management Standards	InterManager; ISM Code
ISO container	Containers and container types
ISPS Code	ISPS Code
ISPS surcharge	Liner ancillary charges
ISPS/MTSA Clause for Time Charter Parties 2005	BIMCO sundry clauses
ISPS/MTSA Clause for Voyage Charter Parties 2005	BIMCO sundry charges
ISSA (International Ship Suppliers & Services Association)	ISSA (International Ship Suppliers & Services Association)
itinerary	Liner ship positions; Voyage charter – ship's position
Japanese Law and Arbitration Clause	BIMCO sundry clauses
jettison clause	Sundry voyage charter-party clauses
joint survey	Surveys
jurisdiction clause	Bill of lading – common clauses; Sundry charter-party clauses (found in both voyage and time charters); Sundry voyage charter-party clauses
Korean Register of Shipping	Classification societies
laden draught	Draught
laker	Bulk carriers
landing, storage and delivery	Breakbulk liner ancillary charges
lane length	Ship's dimensions and capacities
lane metres	Weights and measures
LASH ships	Dry cargo ships
law and jurisdiction clause	Sundry charter-party clauses (found in both voyage and time charters)
law clause	Sundry charter-party clauses (found in both voyage and time charters)
laycan	Cancellation of a charter; Laytime
laydays	Laytime
laydays cancelling	Cancellation of a charter; Laytime
laytime	Arrived ship; Berth; Laytime; Penalties
laytime clause	Sundry voyage charter-party clauses
laytime saved	Laytime
Lay-Up Clause	BIMCO sundry charges
Layupman	BIMCO sundry documents
LCL	Change of destination
lcl service charge	Container ancillary charges; Container freight
length overall	Ship's dimensions and capacities
less in dispute, if on board to be delivered	Tally
less than container load	Container freight
letter of credit	Shipping
letter of protest	Bunkers
liberties clause	Sundry charter-party clauses (found in both voyage and time charters)

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Term	*See under*
Liberty and Deviation Clause for Contracts of Carriage	BIMCO sundry clauses
liberty and deviation clause	Sundry charter-party clauses (found in both voyage and time charters)
liberty clause	Sundry charter-party clauses (found in both voyage and time charters)
lien	Bill of lading – common clauses
lien clause	Bill of lading – common clauses; Sundry charter-party clauses (found in both voyage and time charters); Sundry voyage charter-party clauses
Lien Clause for Time Charters – Recommended Additional	BIMCO sundry clauses
Lien on Vessels (Additional Clause)	BIMCO sundry clauses
lien and cesser clause	Sundry voyage charter-party clauses
lift	Draught
lift-on lift-off	Dry cargo ships
lift-on lift-off charge	Container ancillary charges
lighten	Draught
linear metre	Freight
liner agent	Shipping
liner ancillary charges	Liner ancillary charges
liner booking note	Bookings
liner conference	Liner shipping – how it is structured
liner contract	Liner contracts
liner in free out	Conventional freight and the export contract
liner sea waybill	Waybill
liner ship positions	Liner ship positions
liner shipping	Liner shipping – how it is structured
liner surcharge	Liner surcharges
liner tariff	Liner and conference tariffs
liner terms	Conventional freight and the export contract
liner waybill	Waybill
Linertime	BIMCO time charter-parties
Linerwaybill	Waybill
litigation clause	Bill of lading – common clauses; Sundry charter-party clauses (found in both voyage and time charters); Sundry voyage charter-party clauses
livestock carrier	Dry cargo ships
LMAA Intermediate Claims Procedure recommended additional wording	BIMCO sundry clauses
Lloyd's Agents	Lloyd's Agents
Lloyd's Register of Shipping	Classification societies
lng carrier	Tankers
load line	Draught; Freeboards and load lines; IMO (International Maritime Organization);International Convention on Load Lines
load line mark	Freeboards and load lines
load line zones	Freeboards and load lines
loaded leg	Ballast
Loading and Discharging with Grabs	BIMCO sundry clauses
loading berth	Berth
loading broker	Shipbroker; Shipping
loading rights	Liner shipping – how it is structured
loadline or load-line	Draught; Freeboards and load lines
log carrier	Bulk carriers

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Term	*See under*
logistics	FIATA (International Federation of Freight Forwarders Associations); Shipping
London Tanker Brokers' Panel	London Tanker Brokers' Panel
long length additional	Breakbulk liner ancillary charges
long ton	Weights and measures
low astronomical tide	Tides
low sulphur (fuel) surcharge	Liner surcharges
loyalty	Liner contracts
lpg carrier	Tankers
lpg/ammonia carrier	Tankers
lumber load line	Freeboards and load lines
lump sum	Freight; Weights and measures
lump sum charter	Charter freight terms
lump sum freight	Charter freight terms
main port	Liner shipping – trades; Port types
maintain class	Classification societies
Malaccamax VLCC	Tankers
manifest	Manifest
manifest correction letter	Manifest
manifest corrector	Change of destination; Manifest
marine diesel oil	Bunkers
marine gasoil	Bunkers
marine terminal operators	FMC (Federal Maritime Commission)
maritime lawyer	Shipping
marks and numbers	Stowage; Tally
MARPOL	International Convention for the Prevention of Pollution from Ships (MARPOL)
mean draught	Draught
mean high water neaps	Tides
mean high water springs	Tides
mean low water neaps	Tides
mean low water springs	Tides
mean sea level	Tides
mean tide level	Tides
measure	Conventional freight and the export contract
measurement cargoes	Conventional freight and the export contract; Weights and measures
measurement rated cargo	Weights and measures
measurement rules	Liner and conference tariffs
measurement ton	Conventional freight and the export contract; Conventional freight and the export contract
Mediation Clause	BIMCO sundry clauses
member lines	Liner and conference tariffs; Liner shipping – how it is structured
merchant haulage	Container freight; Inland haulage
mergers and acquisitions	Liner shipping – how it is structured
metric ton	Weights and measures
mini-bulker	Bulk carriers
minimum freight	Conventional freight and the export contract
minimum quantity commitment	Liner contracts
min/max quantity	Charter freight terms
Minrepcon	BIMCO sundry documents
misdelivered	Tally
miss a cancelling date	Cancellation of a charter
mixing of cargo	Stowage
MLC 2006 Clauses	BIMCO sundry clauses

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Term	*See under*
more in dispute, if on board to be delivered	Tally
more or less in charterer's option	Charter freight terms; Chartering – offer and counter-offer
more or less in owner's option	Charter freight terms; Chartering – offer and counter-offer
mother ship	Dry cargo ships
multideck ship	Ship types
multimodal transport	Combined transport, intermodal transport, multimodal transport, through transport, co-modality
Multimodal Transport Bill of Lading	FIATA documents
multimodal transport operator	Carrier; Combined transport, intermodal transport, multimodal transport, through transport, co-modality; FIATA documents; Shipping
Multimodal Transport Waybill	Waybill
multipurpose ships	Dry cargo ships; Multipurpose ships
multi-purpose supply vessel	Multipurpose ships
Multiwaybill 95	Waybill
NAABSA Charter Party Wording	BIMCO sundry clauses
narrow the laycan	Chartering – offer and counter-offer
Nautical Institute	Nautical Institute
neap tide	Tides
neaped	Tides
negligence clause	Sundry voyage charter-party clauses
net register tonnage	Ship's dimensions and capacities
net registered tonnage	Ship's dimensions and capacities
net ton	Weights and measures
net tonnage	International Convention on Tonnage Measurement of Ships; Ship's dimensions and capacities
New ConTex	Indices and derivatives
New Jason clause	Bill of lading – common clauses; BIMCO sundry clauses; Sundry voyage charter-party clauses
Newbuildcon	BIMCO sundry documents
Nippon Kaiji Kyokai	Classification societies
nominate	Chartering – offer and counter-offer; Voyage charter – ship's position
nomination	Liner ship positions; Voyage charter – ship's position
non vessel operating carrier	Carrier; FMC (Federal Maritime Commission); Shipping
non vessel owning carrier	Carrier
non vessel owning common carrier	Carrier; Shipping
non-conference line	Liner and conference tariffs; Liner shipping – how it is structured
non-delivery	Tally
Non-Lien Provisions, suggested amplification of Clause 18 of NYPE 1946	BIMCO sundry clauses
Non-negotiable Chemical Tank Waybill	Waybill
Non-negotiable Gas Tank Waybill for Use in the LPG Trade	Waybill
Non-negotiable General Sea Waybill	Waybill
Non-negotiable Liner Waybill	Waybill
non-negotiable sea waybill	Shipping documents

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Term	*See under*
Non-negotiable Tanker Waybill	Waybill
Non-Payment of Hire Clause for Time Charter Parties	BIMCO sundry clauses
non-reversible (laytime)	Laytime
non-shipment	Tally
North American Advance Cargo Notification Clause for Voyage Charter Parties	BIMCO sundry clauses
North American Advance Cargo Notification Clause for Time Charter Parties	BIMCO sundry clauses
not otherwise enumerated	Liner and conference tariffs
not otherwise specified	Liner and conference tariffs
note protest	Bunkers
notice of readiness	Arrived ship; Berth; Laytime
notice of re-delivery	Delivery and re-delivery (time-charter)
notice to the trade	Congestion; Liner surcharges
NYPE 93	BIMCO time charter-parties
O.B.O. (Oil-Bulk-Ore) Carriers Standard Clauses	BIMCO sundry clauses
ocean freight	Freight
Ocean Transport Intermediary	FMC (Federal Maritime Commission)
ocean waybill	Waybill
off hire condition survey	Delivery and re-delivery (time-charter); Post fixture work; Surveys
off hire clause	Sundry time charter-party clauses
off hire periods	Sundry time charter-party clauses
off hire survey	Delivery and re-delivery (time-charter); Surveys
offer	Chartering – offer and counter-offer
oil pollution	Protocol on Preparedness, Response and Co-operation to pollution Incidents by Hazardous and Noxious Substances, 2000 (OPRC-HNS Protocol)
oil port	Port types
oil/bulk/ore carrier	Multipurpose ships
on berth	Berth
on deck	Bill of lading – common clauses
on hire condition survey	Delivery and re-delivery (time-charter); Surveys
on hire survey	Delivery and re-delivery (time-charter); Post fixture work; Surveys
on the berth	Berth
on the measure	Weights and measures
on the measurement	Weights and measures
on the weight	Weights and measures
on-carriage	Combined transport, intermodal transport, multimodal transport, through transport, co-modality
on-carrier	Carrier; Combined transport, intermodal transport, multimodal transport, through transport, co-modality
once on demurrage, always on demurrage	Penalties
one safe berth	Berth
open	Voyage charter – ship's position
open conference	Liner shipping – how it is structured
open hatch bulk carrier	Bulk carriers
open side container	Containers and container types
open sided container	Containers and container types
open top container	Containers and container types
optional bill of lading	Bill of lading – common clauses

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Term	*See under*
optional cargo	Bill of lading – common clauses; Change of destination; Stowage
optional cargo clause	Bill of lading – common clauses
optional port	Bill of lading – common clauses; Change of destination; Stowage
optional stow	Change of destination; Stowage
orders to the master	Post fixture work
ore carrier	Bulk carriers
ore pellet carrier	Bulk carriers
ore/bulk/oil carrier	Multipurpose ships
ore/oil carrier	Multipurpose ships
out of gauge	Container ancillary charges
outport	Liner shipping – trades; Port types
outport additional	Liner shipping – trades; Port types
outreach	Ship's dimensions and capacities
outsider	Liner shipping – how it is structured
outturn report	Manifest; Tally
outturn survey	Surveys
outturn weight	Charter freight terms; Weights and measures
outward manifest	Manifest
over, short and damage report	Manifest; Tally
overage	Manifest; Tally
overall length	Ship's dimensions and capacities
overcarried	Tally
overlanded cargo	Manifest; Tally
overlanding	Manifest; Tally
overstowed	Change of destination; Stowage
overtime	Sundry voyage charter-party clauses
overtime clause	Sundry voyage charter-party clauses
owner's agent	Ship's agent
owners' agents	Ship's agent
owner's broker	Chartering; Shipbroker
owners' responsibilities clause	Sundry voyage charter-party clauses
owners' responsibility clause	Sundry voyage charter-party clauses
owners to provide clause	Sundry time charter-party clauses
pallet carrier	Dry cargo ships
pallet elevator	Dry cargo ships
pallet lift	Dry cargo ships
palletized	Cargo types
Panama Canal surcharge	Liner ancillary charges
Panama surcharge	Liner ancillary charges
Panama tanker	Tankers
Panamax bulk carrier	Bulk carriers; Ship types
paper/container carrier	Multipurpose ships
paramount clause	Bill of lading – common clauses; Sundry charter-party clauses (found in both voyage and time charters)
Paramount Clause General	BIMCO sundry clauses
parcel carrier	Shipping
parcel tanker	Tankers
passenger/train/vehicle carrier	Multipurpose ships
passenger/vehicle carrier	Multipurpose ships
peak season surcharge	Liner surcharges
pendulum route	Liner shipping – trades
pendulum service	Liner shipping – trades
penalties	Penalties
per container	Freight
per cubic metre	Freight

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Term	*See under*
per diem	Container ancillary charges
per freight ton	Freight
per linear metre	Freight
per tonne	Freight; Weights and measures
per tonne weight	Weights and measures
per weight ton	Conventional freight and the export contract
performance clause	Sundry time charter-party clauses
Personal Contract Clause	BIMCO sundry clauses
phosphoric acid carrier	Tankers
P. & I. Bunker Deviation Clause, 1948	BIMCO sundry clauses; Sundry voyage charter-party clauses
p&i bunker clause	Sundry voyage charter-party clauses
p&i bunkering clause	Sundry voyage charter-party clauses
P&I club	International Bunker Industry Association Ltd (IBIA)
pilotage	Ship operating costs
Piracy Clause for Consecutive Voyage Charter Parties and COAs 2013	BIMCO sundry clauses
Piracy Clause for Single Voyage Charter Parties 2013	BIMCO sundry clauses
Piracy Clause for Time Charter Parties 2013	BIMCO sundry clauses
Plimsoll Line	Freeboards and load lines
Polish Register of Shipping	Classification societies
pollution	IMO (International Maritime Organization); International Convention for the Prevention of Pollution from Ships (MARPOL); International Convention on Oil Pollution Preparedness, Response and Co-operation (OPRC)
Poolcon	BIMCO sundry documents
pooling	Liner shipping – how it is structured
port	IAPH (International Association of Ports and Harbors); IHMA (International Harbour Masters' Association)
port agent	Ship operating costs; Shipping; Ship's agent
port authority	Shipping
port charges	Ship operating costs
port charter-party	Berth
port congestion fee	Congestion
port congestion surcharge	Congestion
port disbursements	Disbursements
port dues	International Convention on Tonnage Measurement of Ships
port liner term charges	Breakbulk liner ancillary charges
port log	Laytime
port mark	Stowage
port security surcharge	Liner ancillary charges
port to port	Container freight
porthole container	Containers and container types
porthole type container	Containers and container types
post fixture	Post fixture work; Shipbroker
post-Panamax tanker	Tankers
pratique	Arrived ship
preamble	Sundry charter-party clauses (found in both voyage and time charters)
pre-carriage	Combined transport, intermodal transport, multimodal transport, through transport, co-modality
pre-carrier	Carrier; Combined transport, intermodal transport, multimodal transport, through transport, co-modality
pre-shipment survey	Surveys

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Term	*See under*
pre-slung	Cargo types
pre-stow	Stowage
pro forma disbursements account	Disbursements
produce carrier	Containers and container types
product carrier	Tankers
products carrier	Tankers
propane	Tankers
propeller shaft survey	Surveys
prospects	Voyage charter – ship's position
Protective Clauses	BIMCO sundry clauses; Sundry voyage charter-party clauses
protecting agent	Shipping; Ship's agent
protective agent	Shipping; Ship's agent
Protocol on Preparedness, Response and Co-operation to pollution Incidents by Hazardous and Noxious Substances	Protocol on Preparedness, Response and Co-operation to pollution Incidents by Hazardous and Noxious Substances, 2000 (OPRC-HNS Protocol)
pure car and truck carrier	Vehicle carriers
pure car carrier	Vehicle carriers
putting back clause	Bill of lading – common clauses; BIMCO sundry clauses
quay dues	Berth
quay to door	Container freight
quay to quay	Container freight
Radioactivity Risk Clause for Time Charter Parties 2012	BIMCO sundry clauses
rail	Shipping
rate of demurrage	Penalties
received for shipment bill of lading	Bill of lading – common clauses
receiver	Breakbulk liner ancillary charges
receiving date	Liner ship positions
re-charter	Sub-charter; Sundry charter-party clauses (found in both voyage and time charters)
Recyclecon	BIMCO sundry documents
redeliver	Delivery and re-delivery (time-charter)
redelivery	Delivery and re-delivery (time-charter)
redelivery certificate	Delivery and re-delivery (time-charter)
redelivery clause	Sundry time charter-party clauses
reefer, reefer box, reefer container	Containers and container types
reefer (fuel) consumption surcharge	Liner ancillary charges
reefer ship	Dry cargo ships
refrigerated container	Containers and container types
refrigerated meat carrier	Dry cargo ships
refrigerated ship	Dry cargo ships
refrigerated trailer ship	Dry cargo ships
register tonnage	Berth; Ship's dimensions and capacities
Registro Italiano Navale	Classification societies
Repaircon	BIMCO sundry documents
Requisition Clause	BIMCO sundry clauses
Return of Containers Clause	BIMCO sundry clauses
revenue currency	Currency adjustment factor
reversible (laytime)	Laytime
road haulier	Shipping

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Term	*See under*
rolling cargo	Cargo types
roll-on roll-off	Dry cargo ships
roll-on roll-off ship	Ballast; Cargo types; Vehicle carriers
ro-ro ship	Vehicle carriers
ro-ro/containership	Multipurpose ships
rotation	Voyage charter – ship's position
round the world service	Liner shipping – trades
running days	Laytime
safe berth	Berth
safety of life at sea	IMO (International Maritime Organization)
Sail-assisted bulk carrier	Bulk carriers
sailing schedule	Liner ship positions
sale and purchase	ICS (Institute of Chartered Shipbrokers); Sale & Purchase (s&p); Shipbroker
Saleform 2012	BIMCO sundry documents; ICS (Institute of Chartered Shipbrokers); Sale & Purchase (s&p)
Salescrap 87	Sale & Purchase (s&p)
Sanctions Clause for Time Charter Parties	BIMCO sundry clauses
Saturdays, Sundays and holidays excepted	Laytime
Saturdays, Sundays and holidays excluded	Laytime
Saturdays, Sundays and holidays included	Laytime
scope of the voyage	Bill of lading – common clauses
Scrap Metal Clause	BIMCO sundry clauses
seasonal tropical zone	Freeboards and load lines
seasonal winter zone	Freeboards and load lines
sea water	Draught
sea waybill	Waybill
Seaway and Great Lakes Trading Clause	BIMCO sundry clauses
Seaworthy Trim Clause	BIMCO sundry clauses; Sundry voyage charter-party clauses
secretariat	Liner and conference tariffs; Liner shipping – how it is structured
Securing Materials Removal Clauses for Time Charter Parties	BIMCO sundry clauses
Securing Materials Removal Clauses for Voyage Charter Parties	BIMCO sundry clauses
security	ISPS Code
self-sustaining	Ship types
self-trimmer	Bulk carriers
self-trimming ship	Bulk carriers
self-unloader	Bulk carriers
separations	Stowage
service agreement	Liner contracts
service contract	Liner contracts
Shanghai (Export) Containerized freight Index	Indices and derivatives
sheep carrier	Dry cargo ships
shifting	Sundry voyage charter-party clauses
Shifting and Warping	BIMCO sundry clauses
ship agent	Ship's agent

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Term	*See under*
ship manager	ICS (Institute of Chartered Shipbrokers); InterManager; Ship operating costs
ship operating	ICS (Institute of Chartered Shipbrokers); Ship operating costs
ship operating costs	Ship operating costs
ship routing	Weather routing
ship suppliers	ISSA (International Ship Suppliers & Services Association)
Ship to Ship Transfer Clause for Time Charter Parties	BIMCO sundry clauses
shipbroker	Chartering; FONASBA (Federation of National Associations of Shipbrokers and Agents); ICS (Institute of Chartered Shipbrokers); Sale & Purchase (s&p); Shipbroker; Shipping
shipbroking	Shipbroker
Shipman 2009	BIMCO sundry documents
shipmanager	Ship operating costs
shipowner	Chartering; International Bunker Industry Association Ltd (IBIA); Sub-charter
shipped bill of lading	Bill of lading – common clauses
shipper	Breakbulk liner ancillary charges; ESC (European Shippers' Council); Shipping
shipper's own (container)	Container ancillary charges
shipper's owned (container)	Container ancillary charges
Shippers Declaration for the Transport of Dangerous Goods	
shipping conference	Liner shipping – how it is structured
shipping container	Containers and container types
shipping documents	Shipping documents
shipping indices	Indices and derivatives
shipping instructions	Shipping documents
shipping line	Shipping
shipping mark	Stowage; Tally
shipping specification	Shipping documents
ship's agency	Ship's agent
ship's agent	Shipbroker; Shipping; Ship's agent
ship's disbursements	Disbursements
short sea trader	Ship types
short ton	Weights and measures
shortage	Manifest
shortlanded cargo	Manifest
shuttle tanker	Tankers
similar substitute	Chartering – offer and counter-offer; Voyage charter – ship's position
single deck ship	Ship types
single decker	Ship types
slack water	Tides
slot	Container ancillary charges
slot agreement	Liner shipping – how it is structured
slot chartering	Chartering
Slothire	BIMCO sundry documents
Slow Steaming Clause for Time Charter Parties	BIMCO sundry clauses
Slow Steaming Clause for Voyage Charter Parties	BIMCO sundry clauses; Sundry voyage charter-party clauses
SOLAS	International Convention for the Safety of Life at Sea (SOLAS); ISPS Code
Special Drawing Rights	Convention on Limitation of Liability for Maritime Claims (LLMC)
special equipment additional	Container ancillary charges

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Term	*See under*
special equipment premium	Container ancillary charges
special equipment surcharge	Container ancillary charges
special survey	Surveys
specialized port	Port types
spot	Voyage charter – ship's position
spot prompt	Voyage charter – ship's position
spring tide	Tides
stabilization agreement	Liner shipping – how it is structured
Standard Chartering Model Clauses for Chemical Parcel Trades	BIMCO sundry clauses
Standard Disbursement Account	BIMCO sundry documents
Standard Shipping Note	Shipping documents
statement of facts	Laytime; Post fixture work
statutory survey	Surveys
steamship line	Shipping
Stevedore Damage Clause for FIO Voyage Charter Parties 2008	BIMCO sundry clauses; Sundry voyage charter-party clauses
Stevedore Damage Clause for Time Charter Parties 2008	BIMCO sundry clauses
stevedoring	Ship operating costs
stem a berth	Berth
Stoppage of Canals and Waterways Clause 1968 (Code Name: CONWAY)	BIMCO sundry clauses
storage charges	Penalties
sto-ro	Cargo types
stow deadweight	Conventional freight and the export contract
stowage	Stowage
stowage factor	Charter freight terms; Conventional freight and the export contract; Ship's dimensions and capacities; Stowage; Weights and measures
stowage plan	Stowage
strategic alliance	Liner shipping – how it is structured
Strike Clause	BIMCO sundry clauses; Strike clause; Sundry voyage charter-party clauses
strike-bound	Strike clause
strip	Container ancillary charges; Container freight; Containers and container types
stuff	Container ancillary charges; Containers and container types
sub-charter	Chartering; Sub-charter; Sundry charter-party clauses (found in both voyage and time charters)
sub-charterer	Chartering; Sub-charter
sub-freight	Chartering; Sub-charter
sub-hire	Chartering
subject details	Chartering – offer and counter-offer
subjects	Chartering – offer and counter-offer
subjects are lifted	Chartering – offer and counter-offer
sub-let	Chartering
sub-let clause	Sundry charter-party clauses (found in both voyage and time charters)
sub-sub-charter	Sub-charter
sub-sub-charterer	Sub-charter
sub-freight	Sub-charter
sub-let	Sub-charter

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Term	*See under*
substitute	Voyage charter – ship's position
substitution	Voyage charter – ship's position
Suezmax tanker	Tankers
sulphuric acid carrier	Tankers
summer draught	Draught
summer freeboard	Freeboards and load lines
summer load line	Freeboards and load lines
summer marks	Freeboards and load lines
summer timber freeboard	Freeboards and load lines
summer timber load line	Freeboards and load lines
summer zone	Freeboards and load lines
Sundays and holidays excepted	Laytime
Sundays and holidays excluded	Laytime
Sundays and holidays included	Laytime
supercargo clause	Sundry time charter-party clauses
supervisory agent	Ship's agent
supply ship	Dry cargo ships
Supplytime 2005	BIMCO time charter-parties
Supplytime 89	BIMCO time charter-parties
support ship	Dry cargo ships
survey	Lloyd's Agents; Ship operating costs; Surveys
surveyor	FEMAS (Federation of European Maritime Associations of Surveyors and Consultants); International Bunker Industry Association Ltd (IBIA); Lloyd's Agents
suspension of class	Classification societies
suspension of hire clause	Sundry time charter-party clauses
suspension of laytime	Laytime; Sundry voyage charter-party clauses
sworn shipbroker	Shipbroker
tally	Tally
tally books	Tally
tally clerks	Tally
tally sheets	Tally
tallymen	Tally
tanker	Intertanko; Tankers; Worldscale
tanker broker	Shipbroker
Tankwaybill 81	Charter-party bills of lading, waybills and cargo receipts; Waybill
tariff class	Liner and conference tariffs
tariff currency	Currency adjustment factor; Liner and conference tariffs
tariff name	Liner and conference tariffs
technical operation	Ship operating costs
tender notice of readiness	Arrived ship; Laytime
terminal handling charges	Container ancillary charges; Container freight
terminal operator	Shipping
terminal to terminal	Container freight
terminals	Container ancillary charges
third party logistics	Shipping
through bill of lading	Combined transport, intermodal transport, multimodal transport, through transport, co-modality
through rate	Combined transport, intermodal transport, multimodal transport, through transport, co-modality
through transport	Combined transport, intermodal transport, multimodal transport, through transport, co-modality; Freight
through transport bill of lading	Combined transport, intermodal transport, multimodal transport, through transport, co-modality; Freight

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Term	*See under*
tidal range	Tides
tides	Tides
tier limit	Stowage
tier limitation	Stowage
timber carrier	Bulk carriers
time charter	Ballast; Chartering
time charter-party	Chartering
time does not count	Laytime
time sheet	Laytime; Penalties; Post fixture work
time to count	Laytime
time-charter equivalent	Voyage estimate
tolerated outsider	Liner shipping – how it is structured
ton	Weights and measures
Tonnage Certificate	Ship's dimensions and capacities
tonne	Weights and measures
tonnes per day	Laytime
tonnes per centimetre	Ship's dimensions and capacities
tons per inch	Ship's dimensions and capacities
total deadweight	Ship's dimensions and capacities
towage	Ship operating costs
Towcon 2008	BIMCO sundry documents
Towhire 2008	BIMCO sundry documents
tracer	Manifest
trade	Liner shipping – trades
trade association	Shipping
train ferry	Vehicle carriers
train/vehicle ferry	Vehicle carriers
tramp shipping	Chartering
tramp ships	Ballast
tramping	Chartering
tramp ship operator	Shipping
transfer charge	Inland haulage
transhipment additional	Breakbulk liner ancillary charges; Liner shipping – trades
transhipment port	Port types
trigger points	Currency adjustment factor
trim of a ship	Draught
trimmed by the head	Draught
trimmed by the stern	Draught
Trimming and Grab Clauses for Bulk Cargo Trimming	BIMCO sundry clauses
tropical draught	Draught
tropical freeboard	Freeboards and load lines
tropical fresh water freeboard	Freeboards and load lines
tropical fresh water load line	Freeboards and load lines
tropical fresh water timber freeboard	Freeboards and load lines
tropical fresh water timber load line	Freeboards and load lines
tropical load line	Freeboards and load lines
tropical timber freeboard	Freeboards and load lines
tropical timber load line	Freeboards and load lines
tropical zone	Freeboards and load lines
trucking company	Shipping
twenty-foot equivalent unit	Ship's dimensions and capacities; Weights and measures
twenty-footer	Container ancillary charges; Containers and container types
ulcc	Tankers
uncontainerable	Cargo types; Container ancillary charges

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Term	*See under*
uncontainerizable	Cargo types
unenumerated	Liner and conference tariffs
Unit Limitation Clause	BIMCO sundry clauses
unit loads	Cargo types
unitization	Cargo types
universal bulk carrier	Bulk carriers
unless used	Laytime
U.S. Anti-Drug Abuse Act 1986 Clause for Time Charter Parties 2013	BIMCO sundry clauses
U.S. Census Bureau Mandatory Automated Export System (AES) Clause for Time Charter Parties	BIMCO sundry clauses
U.S. Census Bureau Mandatory Automated Export System (AES) Clause for Voyage Charter Parties	BIMCO sundry clauses
U.S. Customs-Trade Partnership Against Terrorism (C-TPAT) Clause	BIMCO sundry clauses
U.S. Security Clause for Time Chartering	BIMCO sundry clauses
U.S. Security Clause for Voyage Chartering	BIMCO sundry clauses
U.S. Tax Reform 1986 Clause	BIMCO sundry clauses
U.S. Wharfage Clause	BIMCO sundry clauses
Valemax	Bulk carriers
Vegoil Tank Pre-wash Clause	BIMCO sundry clauses
vehicle carriers	Dry cargo ships; Vehicle carriers
vehicle/train ferry	Vehicle carriers
very large ore carrier	Bulk carriers
vessel sharing agreement	Liner shipping – how it is structured
vessel tba	Chartering – offer and counter-offer; Liner ship positions; Voyage charter – ship's position
vessel tbn	Chartering – offer and counter-offer; Liner ship positions; Voyage charter – ship's position
Vetting and Inspection Clause	BIMCO sundry clauses
vlcc	Tankers
Volcoa	BIMCO sundry documents
volume-related discount	Liner contracts
vouchers	Disbursements
voyage account	Voyage estimate
voyage charter	Chartering; Voyage charter
voyage charterer	Berth
voyage charter-party	Chartering; Voyage charter
voyage estimate	Voyage estimate
voyage freight	Sub-charter
voyage number	Liner ship positions
VOYWAR 2013	BIMCO sundry clauses
wagon demurrage	Penalties
WAITBERTH 2002	BIMCO sundry clauses
Waiting for Berth Clause (Code Name: WAITBERTH 2002)	BIMCO sundry clauses

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Term	*See under*
War Cancellation Clause 2004	BIMCO sundry clauses
war clause	Sundry charter-party clauses (found in both voyage and time charters); Sundry voyage charter-party clauses
War Risks Clause (CONWARTIME 2013)	BIMCO Sundry clauses
War Risks Clause (VOYWAR 2013)	BIMCO Sundry clauses
war risk surcharge	Liner surcharges; War risk surcharge
war, strikes, ice clause	Bill of lading – common clauses
Warehouse Receipt	FIATA documents
warehousekeeper	Shipping
warping	Sundry voyage charter-party clauses
water density	Draught
waybill	Charter-party bills of lading, waybills and cargo receipts; Combined transport bill of lading; Waybill
wayport	Port types
weather permitting	Laytime
weather routing	Weather routing
Weather Routeing Clause for Time Charter Parties	BIMCO sundry Clauses
weather working day	Laytime
weight cargoes	Conventional freight and the export contract; Weights and measures
weight or measure	Weights and measures
weight or measure rate	Conventional freight and the export contract
weight or measurement	Weights and measures
weight or measurement rate	Conventional freight and the export contract; Freight
weight rated cargo	Weights and measures
weight ton	Conventional freight and the export contract
weights and measures	Weights and measures
wet cargoes	Cargo types
wet weight	Weights and measures
wharf dues	Berth
wharfage	Berth
wheeled cargo	Cargo types
when where ready on completion of discharge	Delivery and re-delivery (time-charter)
whether in berth or not	Arrived ship; Laytime
whether in free pratique or not	Arrived ship; Laytime
whether in port in not	Arrived ship; Laytime
white products	Cargo types
wide laycan	Chartering – offer and counter-offer
winch clause	Sundry voyage charter-party clauses
windage	Weights and measures
Windtime	BIMCO time charter-parties
wine tanker	Tankers
winter draught	Draught
winter freeboard	Freeboards and load lines
winter load line	Freeboards and load lines
winter marks	Freeboards and load lines
winter North Atlantic freeboard	Freeboards and load lines
winter North Atlantic timber freeboard	Freeboards and load lines
winter North Atlantic load line	Freeboards and load lines
winter North Atlantic timber load line	Freeboards and load lines
winter timber freeboard	Freeboards and load lines

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Term	*See under*
winter timber load line	Freeboards and load lines
winter zone	Freeboards and load lines
withdraw class	Classification societies
without guarantee	Chartering – offer and counter-offer
woodchip carrier	Bulk carriers
woodpulp carrier	Bulk carriers
workable hatches per day	Laytime
working day	Laytime
working day of 24 consecutive hours	Laytime
working day of 24 hours	Laytime
working hatch	Laytime
working time saved	Laytime
World Container Index	Indices and derivatives
Worldfoodreceipt 99	Charter-party bills of lading, waybills and cargo receipts
Worldfoodwaybill	Waybill
Worldscale	London Tanker Brokers' Panel; Weights and measures; Worldscale
Wreckfixed 2010	BIMCO sundry documents
Wreckhire 2010	BIMCO sundry documents
Yaracharter	Charter-party bills of lading, waybills and cargo receipts
Yara Sea Waybill	Charter-party bills of lading, waybills and cargo receipts
Yarawaybill	Charter-party bills of lading, waybills and cargo receipts
Yen appreciation surcharge	Liner surcharges
zone haulage rates	Inland haulage

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