MINUTES OF THE
PLENARY MEETING OF THE
CHARTERING & DOCUMENTARY COMMITTEE
HELD AT THE FOUR SEASONS HOTEL
SYDNEY
AT 9.30 a.m. ON WEDNESDAY, 12th OCTOBER 2011

Present:

Mrs. M. Collins	Chairwoman
Mr. C. Papavassiliou	President FONASBA
Mr. B. Szalma	Vice Chairman

In Attendance:

Mr. J.C. Williams FICS	General Manager

Mr. R. Garcia Piñiero	Argentina	Mr. V. Totorizzo	Italy
Mr. J. Dulce	Argentina	Ms. G. Reghellin MICS	Italy
Mr. G. Hernandez	Argentina	Mr. F. Carlini FICS	Italy
Mr. P. Campbell	Argentina	Mr. T. Iigaki	Japan
Mr. M. Phillips	Australia	Mr. T. Saita	Japan
Mr. L. Russell	Australia	Mr. J Cutberto Parra Mendoza	Mexico
Mr. G. Gordon Findlay	Brazil	Mr. V. Banovic	Montenegro
Mr. W. Rocha Jnr.	Brazil	Mr. A. Mantrach	Morocco
Mr. S. Adao	Brazil	Mr. M.S.B. Duin	Netherlands
Mr. N. Hristov	Bulgaria	Mr. K.F. Eriksen	Norway
Mr. Liu Gauxin	China	Mr. L. P. Storfjord	Norway
Mr. Weng Fengshou	China	Mr. J. Contreras	Peru
Capt. J. Karmelić	Croatia	Mr. S. Zaconeta Torres	Peru
Mr. T.D. Paulsen	Denmark	Mr. A. Tablizo	Philippines
Mr. A. Houtved FICS	Denmark	Mr. A. Belmar da Costa	Portugal
Mr. J. Vikstrom	Finland	Mr. E. Bandelj	Slovenia
Mr. G.J. Heinonen	Finland	Mr. J. Fernandez	Spain
Mr. S. Lomberg	Finland	Mrs. B. Blomqvist	Sweden
Mr. C. Génibrel	France	Mr. K. Turkantos	Turkey
Mr. C. Bele	France	Mrs. J. Cardona	USA
Mr. J.A. Foord FICS	Great Britain	Mr. S. Larsen	BIMCO
Mr. B.J. Stokes FICS	Great Britain	Mr. A. Jamieson	ITIC
Mr. P.J. Wood FICS	Great Britain		
Mr. G.E. Duci	Italy		

Item **Action**

1. President's Welcome, Chairwoman's Opening Address

The **President** welcomed all those present at the meeting.

The **Chairwoman** also welcomed delegates to the meeting and expressed her thanks to Shipping Australia for hosting the excellent Welcome Reception the night before.

2. Minutes of the Last Meeting held Varna, 13th October 2010

The minutes **were approved.**

3. Matters Arising

None.

4. C&D Market Reports

The meeting received the following presentations:

- Tanker – **Philip Wood FICS**
- Dry Cargo – the **Chairwoman**

- Containers – **Rodolfo Garcia Piñiero**
- Short Sea Shipping – **Fulvio Carlini FICS**

Each presentation was followed by a question and answer session.

Copies of the presentations are available from the Members' Area of the FONASBA website: www.fonasba.com.

7. World Fleets: Trades Trends and Forecasts

In order to facilitate his schedule, the **Chairwoman** brought forward Dr. David Bayne's presentation, which was well received by the delegates. A copy of the presentation is available for download from the Members' Area of the FONASBA website.

5. ITIC Claims Review

Mr. Jamieson once again reported on a number of issues currently giving rise to claims by, and against, brokers. These included:

- Misuse of Social Media sites: any comments made in relation to colleagues, competitors and others on social media sites such as Facebook are considered to be in the public domain and therefore subject to challenge or action in the same way as they would had they been printed
- Exchange of information via instant messaging/smart phones: using instant messaging to exchange information or exchanging e-mails by using smart phones can be problematical due to the lack of appropriate archiving facilities. All records of negotiations – including also notes written on printed copies of e-mails – must be archived against any subsequent claim as courts are now considering an inability to provide complete records as being tantamount to having something to hide
- Sanctions clauses: these are often very widely drawn, cross many jurisdictions and can sometimes be seen as be applying in ways not originally intended. Care must be taken to ensure that all operations are scrutinised for any indication that they may make the company liable under such regimes
- Ethical policies: shipowners and charterers cannot hold brokers liable for ensuring compliance with their principal's ethical policies – although they might try
- Illegal payments/commissions: as mentioned last year, even with clear instructions from principals, brokers MUST make their own checks to ascertain recipients of payments or commissions have a direct involvement in the fixture and a bona fide and verifiable claim to such monies
- Agency agreements: more and more port authorities are endeavouring to make agents accept liability for increasing number of charges levied upon their principals. Agents should resist all such demands unless statutorily liable
- Bogus crew changes: have been in abeyance but an increasing number of such scams have recently been noted. Unless the principals/vessels/crewing agents are known to them, port agents must make their own checks before agreeing to handle the work
- Wreck removal claims: port authorities are trying to make agents liable for costs if the original owner cannot be traced or has gone bankrupt. Agents should refuse to accept any liability, even if they were the agent for the vessel whilst in the port
- Piracy clauses: brokers should check that the details of the charterers to be covered in a piracy clause are correct. Errors, post fixture changes or addenda can render the clause invalid

The meeting then discussed the issues raised above. **Mr. Tablizo** reminded the meeting that his association had been working very closely with the Philippine authorities to review the laws covering an agent's joint liability for cargo damage. Changes to the law were enacted but the first test case is now going through the courts to verify the success of the initiative.

Concluding, **Mr. Jamieson** reminded the meeting once again that in the current economic climate claim levels are very high and the broker and agent needs to exercise considerable care to ensure his own position is protected. He offered delegates a copy of the latest ITIC Claims Review (copy attached) which gives further detail on some of the issues raised above.

The **Chairwoman** thanked **Mr. Jamieson** for another excellent presentation.

6. Rotterdam Rules Update

The **General Manager** advised the meeting that since the last Plenary the only changes were that Spain had been the first country to ratify the Rules – doing so in January 2011 – and Sweden had signed them – in July 2011. He said that no further substantive movement towards their entry into operation was expected until one of the major supporters, for example the US, or a major exporter (China?) ratified.

Mr. **Larsen** said that BIMCO had been in contact with the US State Department and had been told that progress towards ratification was ongoing and would hopefully be ready by the end of 2011. *(Post meeting note: no action reported as at 19.12)*. He also added that Germany was revising its commercial legal code and there was a possibility that it might decide to introduce its own liability regime. This would of course be a major blow to the hopes of the Rotterdam Rules becoming the unified global regime expected when the project was started. BIMCO was not, he said, going to add the Rotterdam Rules to its list of standard documents until such time as the intentions of the major trading nations, particularly the US, were clearer.

The **Chairwoman** thanked Mr. **Larsen** for his input.

8. Revision of the Bulk Cargo Code

The **Chairwoman** updated the meeting on the recent actions within IMO's Dangerous Goods, Solid Bulk Cargoes and Containers Sub Committee (DSC) at its meeting in September 2011. Although much debate centred on the issue of cargo liquefaction (primarily but not exclusively relating to iron ore fines) and the question of testing regimes and surveying methods, she said there were more than 100 other cargoes which were being looked at by the Sub Committee and potentially they all had implications of brokers and agents. Actual or anticipated changes in cargo classification, charterparty liabilities, reporting requirements and similar matters were under scrutiny, she said. One issue for agents was an expected increase in the level of information to be provided to shipowners/charterers and the inability of the agent to obtain same from the shippers at the required time. Changes in charterparty requirements relating to inspection procedures were also expected but again cargo interests were resisting – or claiming they were unable to provide same within the required reporting timelines.

Summarising the current situation, the **Chairwoman** said that there remained a considerable amount of work to be done in the DSC Committee but the outcome of its deliberations could have major implications for agents and brokers. She therefore asked the **General Manager** to maintain a watch on the Committee's activities and notify the membership as appropriate. She also referred delegates to the guide to cargo liquefaction produced by the North of England P&I Club copy attached. **JCW**

The meeting then discussed a number of instances of cargo descriptions not being accurate, of shippers refusing to accept liability for inaccurate descriptions and the consequences of such actions on vessels and crews.

9. Norwegian "SALEFORM Update

The **Chairwoman** asked Mr. **Eriksen** to update the meeting on progress towards the issue of the newest version of the form. In his presentation (copy available from the FONASBA website) he said that there were no major changes between the current form and the new one, hence the term "update" rather than "revision". As an example, he said the clause numbering would be retained whilst the only major change was to drop New York as a listed arbitration centre, leaving London as the default location.

BIMCO and the Norwegian association had both established working parties and their views on what needed updating – and the proposals to do so – were very similar, leading to a very effective and coordinated update programme. With much of the drafting completed, the two partner associations had embarked on a series of three workshops, held in Oslo, London and

Singapore for potential users of the new form. He said Singapore had previously been invited to participate in the updating exercise but had decided not to as its own form was already well-advanced. He reported that support from industry for the update was excellent and so it was intended that a final meeting to complete the drafting would be held in Oslo in November and the completed document would be reviewed by the BIMCO Documentary Committee in December.

The **Chairwoman** thanked Mr. **Eriksen** for his presentation and said she would notify ASBA of the change to the arbitration clause.

10. BIMCO and INTERTANKO Documentary Committee Reports

The **Chairwoman** asked **Mr. Larsen** to report on work of the BIMCO Documentary Committee.

He started his short presentation by thanking FONASBA for its participation in the work of the Documentary Committee. He said it was vital for FONASBA to be engaged in the documentation development process and was very glad to see the Federation represented in London in November 2010 and Vancouver in June 2011. *(Post meeting note: The **Chairwoman** also attended the Documentary Committee meeting in Copenhagen in November 2011).*

Turning to the current work programme, he mentioned the following documents and clauses currently under development:

- SALEFORM Update: He echoed Mr. **Eriksen**'s comments on the updating exercise and expressed BIMCO's concerns about Singapore's actions in developing a local sale and purchase form – which he said would not advance the cause of consistency in the documentation process.
- He also said that BIMCO had been contacted by Singapore to cooperate in a revision of the NYPE form but this had been declined. He acknowledged that ASBA also shared BIMCO's concerns about the exercise and confirmed BIMCO and ASBA would be meeting in November 2011 to discuss their own project to update the NYPE which was expected to start in 2012.
- Standard Pooling Agreement for Bulk Cargoes – the proposed document was subject to approval by the European Commission competition authorities (DG-COMP) and a meeting would be arranged early in 2012.
- WINDTIME – a new form for the offshore wind farm supply vessel sector. This was in its early stages and was expected to be better suited to the specifics of the sector than the currently heavily modified "SUPPLYTIME", originally developed for the offshore oil industry. He said all the major wind farm service contractors were being consulted on the new form.
- Slow Steaming Clause for Time Charters – this was still in development and awaiting input from engine manufacturers on possible side-effects from slow steaming.
- Bottom Fouling Clause – a new form developed for layup or slow steaming in tropical waters
- Sanctions clauses – a number of documents were under review as the global situation changes

Following his brief presentation, **Mr. Larsen** answered questions from the floor on BIMCO's support for the FONASBA Quality Standard and the applicability of the standard new building contract (NEWBUILDCON) on the yachting sector.

As INTERTANKO had apologised in advance for not being present, the **General Manager** read a report provided by INTERTANKO Counsel Michelle White, a copy of which is attached to these minutes.

11. Any Other Business

The **General Manager** made a brief presentation on a new smart phone app developed by the Shipbrokers' Register. The **Chairwoman** advised that FONASBA would be developing a web-

based directory of shipbrokers which would be introduced once the new website was operational.

12. Date and Place of Next Meeting

The **Chairwoman** advised that the next Plenary Meeting of the Chartering & Documentary Committee would take place in October 2012 in Venice, with the date to be confirmed in due course.

There being no further business to discuss, the Chairwoman brought the meeting to a close.

JCW/12.2011

ITIC

SPECIALIST
PROFESSIONAL
INDEMNITY
INSURANCE

Welcome to the Autumn edition of the ITIC Claims Review, which is published to coincide with the September 2011 meeting of ITIC's Board of Directors in Genoa, Italy. ITIC periodically publishes a selection of cases recently handled by the Club - twice yearly in the Claims Review and also in The Wire, a publication which is targeted to particular categories of members. This edition provides a general selection of claims ITIC has resolved over the last year. We hope that these case histories will be of interest to Members and also help them to identify potential problems.

claims review

Issue 24, September 2011

A health and safety fine

When an accident occurred on a vessel, the local authorities brought proceedings against the ship manager (who also acted as the crew manager). The accident happened onboard when a wire on one of the vessel's cranes snapped whilst it was being replaced, striking a crew member who sustained serious injuries as a result.

The authorities brought six charges under local maritime health and safety legislation against the crew manager. One of the main charges alleged that the crew manager had failed to take responsible steps to protect the health and safety of an employee.

The crew manager sought legal advice and, as a result, pleaded guilty to some of the charges, with a view to avoiding protracted and costly legal proceedings. This resulted in a fine of USD 100,000, which the crew manager duly paid.

As the fine related to crew negligence and, under the ship management agreement, the owner was obliged to indemnify the manager. The owners refused to do so and the manager contacted ITIC for advice. With ITIC's assistance, pressure was placed on the owner and his P&I Club to reimburse the crew manager.

Difficulties were encountered when it was discovered that the P&I Club would only cover certain fines and penalties discretionally. However, the matter went before the P&I Club's Board of Directors who agreed to cover the fine in full.

ITIC
IS MANAGED
BY **THOMAS
MILLER**

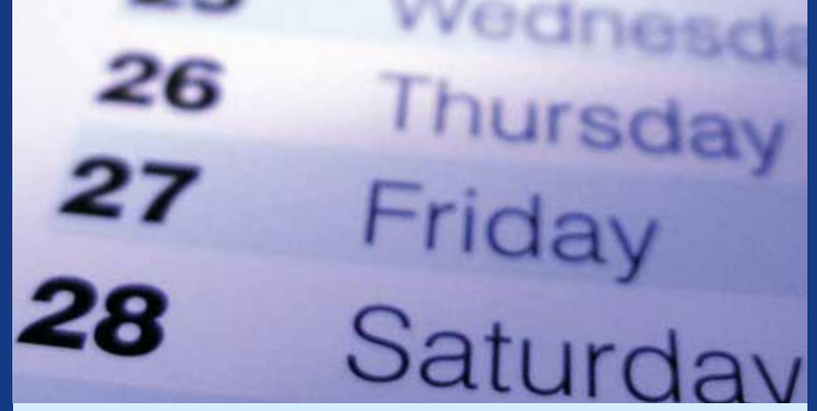
E-mail error

A commercial manager of a fleet of tankers was very aware of the perils of failing to make sure that demurrage claims were presented in time. They had a detailed diary and spreadsheet system in their office recording the relevant time bars. Despite all their precautions a demurrage claim of almost USD 300,000, sent to charterers by email did not arrive.

Unfortunately, the commercial managers had used an incorrect email address. Part of their system included a database of all the email addresses which they used regularly, however on this occasion the email address was not on the system and was typed in manually, with an "l" being substituted for an "i". Chasers were sent to the charterers, but still using the incorrect email address.

On a routine review of outstanding demurrage claims the mistake was realised, this was unfortunately only after expiry of the time bar of 90 days in the governing charterparty.

There was no defence to a claim for the correct amount of the demurrage which was paid by ITIC.



Check before answering

A broker was acting for the owner of a vessel trading in the Mediterranean. When considering an offer from charterers, which included the term "time from 1700 Thursday or a day preceding a holiday until 0800 hours next working day not to count even if used" the owner asked the broker for the weekend working times in Algeria.

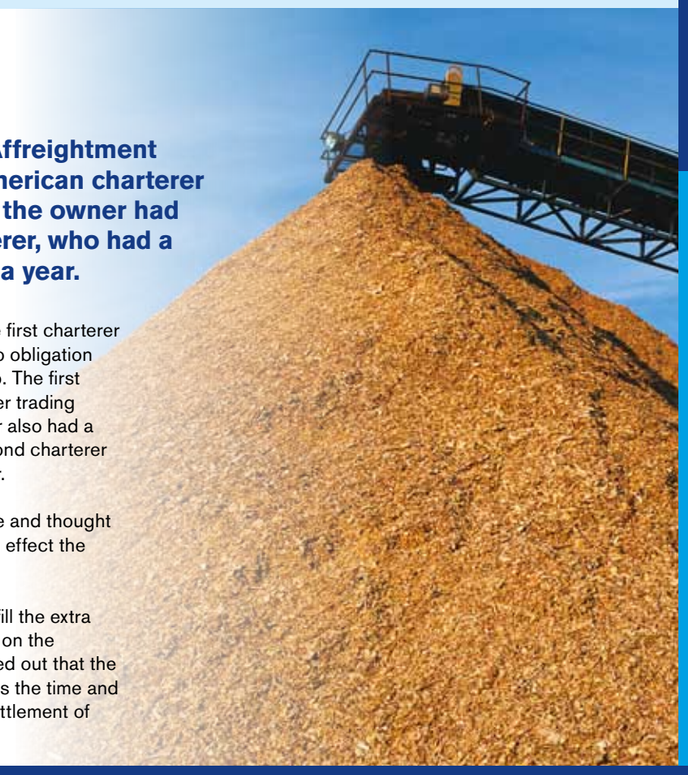
The broker answered the owner's question without checking and got it wrong. The broker had advised the owner that the weekend working times were 1700 Thursday to 0800 Saturday, when in fact (as set out in BIMCO's holiday calendar) the correct answer should have been 1700 Thursday to 0800 Sunday - a difference of 24 hours.

The owner agreed to the fixture following this negligent advice and had calculated the freight rate on the basis of the shorter period the broker had given. The vessel was delayed in port. The laytime commenced later than the owner anticipated and the eventual shortfall in demurrage was claimed from the broker.

The result of the longer than anticipated weekends was a claim of USD 25,527 which was settled by ITIC. This is a classic example of how a claim could have been avoided if the broker had checked before answering.

A double booking

A chartering broker arranged a Contract of Affreightment (COA) between a Japanese owner and an American charterer (the first charterer). Under the terms of COA the owner had to offer one ship per month to the first charterer, who had a minimum obligation to make 8 shipments in a year.



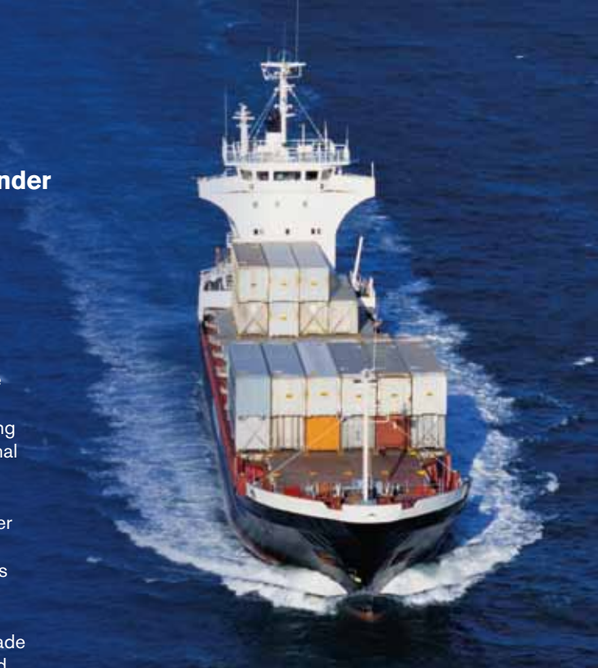
The broker received a nomination from the owner. By this time the first charterer had already met the minimum requirement under the COA, had no obligation to accept the new nomination and said he did not require the ship. The first charterer did have a cargo but it had been purchased from another trading house (the second charterer) on CIF terms. The second charterer also had a contract with the same owner through the same broker. The second charterer had nominated the cargo under their own contract with the owner.

Unfortunately, the broker's operations department made a mistake and thought the cargo had been nominated under the first charterer's COA. In effect the same cargo was booked twice on the same ship.

The owner was unsuccessful in obtaining an alternative cargo to fill the extra space on board and claimed the full freight they had not received on the booking from the broker, less the broker's commission. ITIC argued out that the claim for freight did not take into account saved expenses, such as the time and cost involved in cargo working; these costs were deducted. A settlement of USD 70,000 was finally agreed.

Bad vibrations

A ship manager member of ITIC took on the management of a vessel; one of his duties under the BIMCO Shipman 98 management agreement was to provide crew for and on behalf of the owners.



In 2004, whilst the vessel was heading towards Shanghai, the Master reported that she had experienced "excessive vibration" after passing close to a buoy marking a wreck. The Master left the ship at Shanghai and returned home. The ship manager subsequently received an anonymous fax from the vessel, advising that she had actually hit a wreck. When the vessel reached its final destination it was dry docked and damage was noted.

Under the terms of the management agreement, the ship manager was co-assured on the hull policy, but the owner commenced arbitration proceedings claiming that substantial additional costs had been incurred. The claim was based on an allegation that the ship manager was vicariously liable for the actions of the Master. Wide ranging allegations were also made to the effect that there had been significant tensions, distrust and acrimony between the Master and some of the vessel's officers, which were a direct cause of the damage.
The defence of the ship manager was that, under the terms of the management agreement, the manager had no liability for the negligence of the crew. The manager's sole obligation was to provide an appropriately qualified crew.

Negotiations and investigations by experts and lawyers continued for the next five years and substantial costs were incurred.
The arbitration hearing was scheduled to take place in early 2010; however, by late 2009 the owner (probably realising that his claim for crew negligence was unlikely to succeed) served an entirely revised claim backed by a lengthy report from an expert. The claim was fundamentally altered and was now focused on the ship manager's application of the ISM code and the role of the "designated person" ashore. A further allegation was made that the bridge team, or at least the principle members of it, were suffering from fatigue at the time of the incident and that the ship manager should have been aware of this.

By this time the costs of investigation and preparing the defence had reached USD 659,000. A defence was submitted that, on the evidence available, there was no error in navigation and so the claimant's case could not be proved. ITIC's lawyers were confident that the claim could be successfully defended, but it was recognised that the hearing could last up to seven days, which would result in legal costs in the region of USD 560,000, in addition to the USD 659,000 already spent in preparing the defence.

In 2011 the owner made an offer to settle the claim on a "drop hands" basis, with both sides bearing their own costs. Although the ship manager felt that they had been presented with an extremely weak case, it was not possible to completely rule out the possibility of adverse findings. Accordingly, the offer was accepted.

This case shows how important it is to use the right contract and to have an insurance to cover the legal costs of defending even weak claims. The defence of a ship manager is always expensive.

Newbuilding supervision dispute

A technical management firm appointed a newbuilding supervisor to oversee the building of several chemical carriers. A dispute arose concerning two hulls which were scheduled for delivery in early 2009.

In his monthly report for December 2008, the newbuilding supervisor stated "there are no known matters at this stage with regard to the construction and commissioning of the hulls which may effect the scheduled target date". On the basis of this report, the technical manager nominated the two vessels as performing vessels under a COA.

Upon completion of the sea trials, deficiencies with the tank coating of the first vessel were found. An independent surveyor was appointed and reported that the tanks were badly corroded and it appeared some remedial action had been taken by the yard to cover up poorly adhering paint. In respect of the second vessel, deficiencies were found in the form of "mud cracking" in the tank coating and further evidence that the yard had covered up areas of poorly adhering paint. The delivery of both vessels was delayed by two months until later in 2009 as significant work had to be done re-blasting and re-coating all cargo tanks on both vessels.

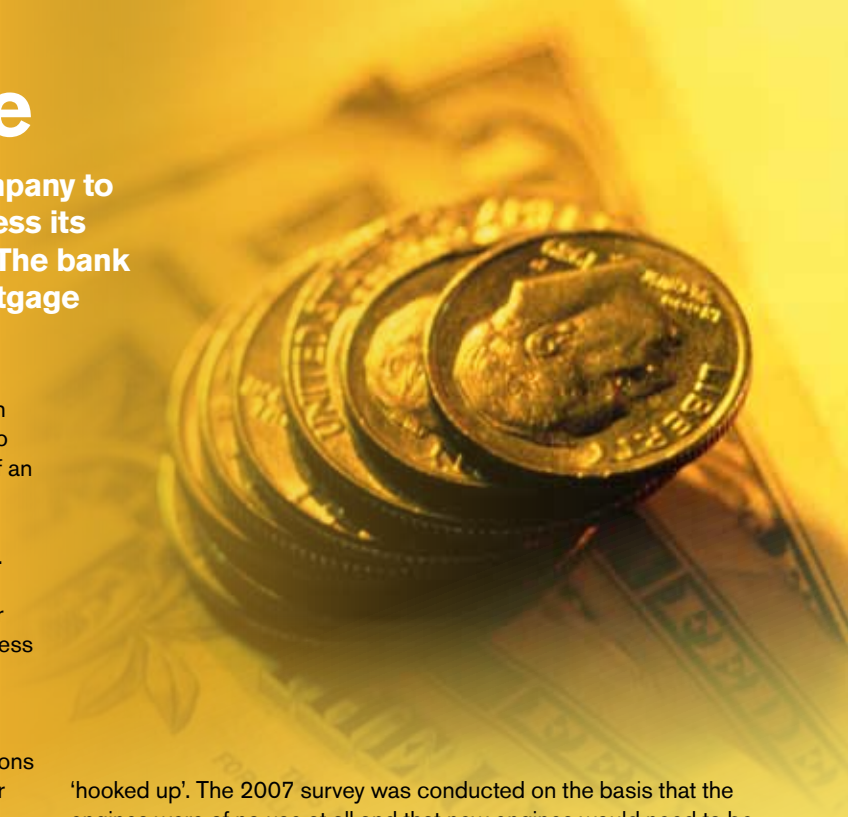
The technical manager brought a claim against the newbuilding supervisor for losses of USD 830,000. The newbuilding supervisor argued that the defects only became apparent at the sea trials and that they were not responsible for the yard's failure to properly apply the paint. The main issue in the dispute was centred on what could realistically be detected by a newbuilding supervisor.

A key concern was in relation to one of the hulls, as the mud cracking and unauthorised repairs were evident in 20-30% of the total tank area. It became apparent that the newbuilding supervisor had possibly failed in his duty to adequately supervise the newbuilding, especially in failing to detect the yard's attempt to cover up poorly adhering paint.

Negotiations to settle the claim led to a final agreed compensation of USD 350,000.

Collateral Damage

A US bank instructed a marine surveying company to provide a valuation of a client's vessel to assess its suitability to be used as collateral for a loan. The bank was to be provided with a preferred ship mortgage by their clients.



The marine surveyors valued the vessel in mid 2007 as being worth USD 900,000. On that basis, the bank alleged that they issued two business loans to their clients worth USD 1,200,000, plus credit of an additional USD 400,000 partly secured on the vessel.

In the latter part of 2008 the bank's clients defaulted on their loans. The bank seized the vessel and appointed a second surveyor to perform an updated survey on the vessel. This survey, in December 2008, valued the ship at only USD 210,000, some USD 690,000 less than the original survey.

The bank issued a claim against the marine surveyors in excess of USD 1 million, representing the difference between the two valuations plus other associated costs. The marine surveyors argued that their valuation was correct at the time it was given; the global economic crisis had occurred between the two valuation dates and many vessels had dropped significantly in value over that period.

During the subsequent investigation, another valuation of the vessel undertaken in mid 2007 was found, which valued it in the "USD 200,000" range. It was argued that the discrepancy in the valuations was due to the marine surveyor being informed by the chief engineer that the engines had recently been overhauled and had just to be 'hooked up'. The 2007 survey was conducted on the basis that the engines were of no use at all and that new engines would need to be purchased. It seems that the latter view was in fact correct, with the lower valuation being more accurate.

The matter was scheduled to be heard by a jury and there was a serious risk of an adverse finding. Even if the claim had been successfully defended legal costs were unrecoverable in the jurisdiction in which the trial would have taken place. In all the circumstances, ITIC settled the matter for USD 200,000.

A question of freight – who pays?

Due to various amendments required by the shipper, liner agents at a load port in South America found themselves reissuing an original bill of lading for a consignment of bananas destined for the United Kingdom no less than six times.

The initial three versions of the original bill of lading provided that freight was to be prepaid; the subsequent three versions showed 'freight collect', meaning the freight would be payable by the consignee.

The agent had mistakenly understood a comment from the shipper that the "consignee will pay" as confirmation that the consignee in the UK had accepted the cargo on a freight collect basis and accordingly issued a "freight collect" bill of lading. Unfortunately, whilst the final bill of lading was issued showing freight collect, the agent failed to update the line's computer system, which still showed "prepaid". Upon arrival in the UK the discharge port agent checked the line's computer system, saw the prepaid status and released the cargo.

It soon became apparent that neither the shipper nor the consignee had paid the freight (which amounted to approximately USD 40,000). The shipper argued that they had sold the cargo FOB (free on board) and provided a commercial invoice and evidence of payment to support this. Accordingly, the shipper stated that the consignee should pay the outstanding freight.

The consignee in turn argued that he had bought the cargo CIF (meaning the total price they paid had included costs, insurance and freight). The consignee produced emails to show CIF terms were discussed/ negotiated, but failed to provide evidence that confirmed the final movement of the cargo was carried out on such terms, saying that any such evidence was "commercially sensitive".

With the assistance of ITIC, the agent was able to persuade the consignee that, even though the cargo had been released prior to freight being paid, under the terms of the bill of lading he was still liable for the outstanding freight. It was also highlighted that if legal action needed to be taken in order to recover the freight, ITIC would also seek to recover the legal costs incurred. The agent offered to accept 95% of the freight, and the consignee ultimately paid this.

This case illustrates how important it is for agents to keep the line's computer records up to date.

International Transport Intermediaries Club Ltd. – ITIC – is a mutual insurance company with over 85 years of experience of providing professional indemnity insurance to companies involved in the transport industry. For further information on any of the products, services or cover provided by ITIC contact Charlotte Kirk at: International Transport Intermediaries Club Ltd, 90 Fenchurch Street, London EC3M 4ST.
tel + 44 (0)20 7338 0150 fax + 44 (0)20 7338 0151 e-mail ITIC@thomasmiller.com web www.itic-insure.com

INTERTANKO

Report of INTERTANKO's Documentary Committee for FONASBA Annual Meeting – 2011

INTERTANKO's Documentary Committee, under the Chairmanship of Mr David Chapman of OSG Tankers UK Ltd, seeks to produce and promote model chartering terms which provide a balance between the respective rights and obligations of owners and charterers. In addition Members receive charterparty advice, as well as a Freight and Demurrage Information Pool to assist with outstanding claims.

Full list of INTERTANKO's Model Clauses

1. Agency clause
2. Ballast Water Management clauses
3. Basrah Oil Terminal clause
4. Bunker Deviation clause
5. Bunker Emission clause for time charters
6. Bunkering whilst waiting to berth clause for voyage charters
7. Canal Transit clause
8. River Ports clause
9. Completion/rotation clause for parcel trades
10. Danish Straits clause for Time Charters
11. Danish Straits clause for Voyage Charters
12. Demurrage Payments clause
13. Deepwater Horizon clause
14. Emissions Reduction clauses
15. EU Advance Cargo Declaration clauses
16. Hazardous Material Inventory clause
17. Interim Port Compensation clause
18. Maritime Security clause for Voyage Charters
19. Maritime Security clause for Time Charters
20. MARPOL Annex II Pre-wash clause
21. MARPOL Annex VI clause for Bunker Supply Contracts
22. MSDS clause
23. Oil Pollution clause
24. Open Sea Berth clause
25. Piracy clause for Time Charterparties
26. Piracy clause for Voyage Charterparties
27. Quality Management Clause
28. Worldscale Port Costs clause
29. Puerto Miranda (Lake Maracaibo) clause
30. Pumping clause Quality Management clause
31. ROB clause
32. Sanctions Clause
33. STS Operations Clause
34. STOPIA 2006 Charterparty clause
35. Tank Preparation clauses
36. TOPIA 2006 charterparty clause

37. Turkish Straits clause
38. UK Bribery Act 2010 clause
39. US Diesel Fuel Product Transfer Documentation clause
40. Vetting Inspection Clause

The full text of all clauses and commentary can be found at www.intertanko.com (Members only)

Recent clauses revised and endorsed by INTERTANKO's Documentary Committee:

INTERTANKO EU Advance Cargo Declaration Clauses

Where Owners to be responsible for summary declaration:

Without prejudice to any other provisions of this charterparty, Owners shall assume the role of carrier for the purposes of the EU Advance Cargo Notification Regulation 648/2005 and any subsequent amendments thereto (EUACD Regulations).

Owners shall comply with the EUACD Regulations. Charterers shall supply Owners with all necessary information at such time as will enable the Owners to comply.

Where Charterers to be responsible for summary declaration

Without prejudice to any other provisions of this charterparty, Charterers shall assume the role of carrier for the purposes of the EU Advance Cargo Notification Regulation 648/2005and any subsequent amendments thereto (EUACD Regulations).

Charterers shall comply with the EUACD Regulations.

INTERTANKO UK Bribery Act 2010 Clause

1. Owners confirm that they / their Managers have a policy to prevent bribery (as defined in the Act) and that this policy includes procedures which to the best of Owners' knowledge and belief are adequate to prevent any such bribery by any member of their or their Managers' organisation or by any person providing services for them or on their behalf, including without limitation the Master and crew of the Vessel.

2. Charterers confirm that they have a policy to prevent bribery (as defined in the Act) and that this policy includes procedures which to the best of Charterers' knowledge and belief are adequate to prevent any such bribery by any member of their organisation or by any person providing services for them or on their behalf.

3. For the purposes of this clause, a "facilitation payment" means a payment of money, goods or other thing of value to any governmental official or other individual in a similar position of authority or influence in any country for the purpose of expediting or securing the performance of a routine service or action. This definition applies even where the payment or other benefit is nominal in amount.

4. Charterers confirm that their schedules allow time for Owners and/or the Master to test requests for facilitation payments which may be improper and to resist demands for improper facilitation payments.

5. If the Master and/or crew are requested to pay any bribe or make any facilitation payment the Master shall have the right to issue a Protest. Any Protest issued in accordance with this sub-clause shall be copied to Charterers immediately.

6. It is understood that where a bribe or facilitation payment has been requested and has been refused by or on behalf of the vessel, this may result in delay to the vessel and/or to cargo operations, and that those parties whose requests have been refused may raise false or irrelevant allegations against Owners and/or the vessel and/or Master and/or crew, and therefore it is agreed that if the Master shall have issued a Protest in accordance with sub-clause (5), in the absence of clear evidence to the contrary it shall be deemed that any delay ensuing is the result of the refusal of a bribe or facilitation payment.

7. (a) (to apply to voyage charters)

All time lost as a result of a refusal by or on behalf of the vessel to pay any bribe or improper facilitation payment shall count as laytime or (if vessel already on demurrage) as time on demurrage.

(b) (to apply to time charters)

Delay as a result of a refusal by or on behalf of the vessel to pay any bribe or improper facilitation payment shall not be considered as time lost for the purpose of any off-hire provision.

INTERTANKO Emissions Reduction Clause – pre-voyage agreement:

1. Charterers may request Owners to reduce speed during the laden voyage to a specified average speed or to arrive at the discharge port not before a specified date.

2. Owners may:

(i) refuse such requests on reasonable grounds, including but not limited to existing contractual obligations, or for operational or safety reasons, or

(ii) provide Charterers with estimates of additional steaming time, and reduction in bunker consumption, together with the invoice cost of the last bunkers supplied. If Charterers agree Owners' estimates prior to any commencement time provided by Owners, Owners will instruct the vessel to comply with Charterers' request.

3. For the avoidance of doubt, Charterers may make further requests in accordance with sub-clause 1 above at any time before or during the course of the voyage.

4. Charterers shall pay for the additional steaming time at the demurrage rate, less 50% of the bunkers saving both as set out in Owners' estimates under sub clause 2**.** Payment to be made against Owners' invoice together with freight.

5. Charterers shall incorporate this provision in all Bills of Lading and shall indemnify Owners in respect of all claims against Owners arising from compliance with the Charterers' requests under sub clause 1. above.

INTERTANKO Emissions Reduction Clause – post voyage analysis:

1. Charterers may instruct Owners to reduce speed during the laden voyage to a specified average speed or to arrive at the discharge port not before a specified date, subject to Owners' consent, which is not to be unreasonably withheld. It shall be reasonable for Owners to withhold consent due to, inter alia existing contractual obligations, or for operational or safety reasons.

2. Charterers may instruct Owners to further vary the performing speed (subject to the limit of the vessel's service speed) at any stage during the voyage. Any further reduction of the speed shall be subject to Owners' consent in accordance with Sub-clause 1.

3. Charterers shall compensate the Owners for all extra steaming time at the demurrage rate. Any bunker savings shall be shared 50/50 between Owners and Charterers.

4. The bunker invoice price from the last bunkering shall be used to calculate the bunker savings. Any such savings may be deducted from the compensation payable for extra steaming time or shall be reimbursed by Owners if no such deduction has been made.

5. Following completion of the voyage, the Master shall calculate the extra steaming time and any bunker savings arising from Charterers' instructions and present his calculations to Charterers.

6. If Charterers instruct a Weather Analysis Service Provider (WASP) Owners shall provide the WASP with such information as the WASP may reasonably require for its calculations.

7. Charterers shall incorporate this provision in all Bills of Lading and shall indemnify Owners in respect of all claims against Owners arising from compliance with the Charterers' instructions under this clause.

Chartering Seminars

In May this year the Documentary Committee took its team of speakers to Athens for the Association's chartering seminar and workshop. This was timed to coincide with the Association's Annual Tanker Event, and included an interactive workshop on Sanctions and Piracy.

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