

FONASBA Annual Meeting

Cancun

October 17 2018

Chartering & Documentary Committee

Michele White

General Counsel, INTERTANKO

***LEADING THE WAY,
MAKING A DIFFERENCE***



INTERTANKO



INTERTANKO



FORUM for Members to meet and share information and best practice

ADVISOR providing guidance on issues affecting Members interests

CHAMPION that speaks on behalf of and acts for independent tanker owners



INTERTANKO

A true Members' Association



Leading the way; Making a difference



Annual Tanker Event – Rome 2018

INTERTANKO

Tanker Summit

Tanker Owning 3.0 – Energy Transportation in the Future

Synopsis: The panel will explore aspects of tanker shipping they expect to change fundamentally in the future. From the shape of ownership of ships and cargoes, to new risks associated with greater automation and digitalization, the diverse panel will explore the challenges and opportunities ahead.

Panellists

Paolo d'Amico, Chairman,
d'Amico Società di Navigazione

Bjornar Andresen, Chief Underwriting Officer, Gard

Riccardo Baratozzi, CEO, LNG Shipping SpA (ENI)

Scott Bergeron, CEO, Liberian Registry

Carlo Cameli,

General Manager, Fratelli d'Amico Armatori

Fulvio Carlini, Chairman,

Chartering & Documentary Committee, FONASBA

Peter Economides, Owner and Founder, Felix BNI



Leading the way; Making a difference



INTERTANKO

Membership in Numbers

2018



2017

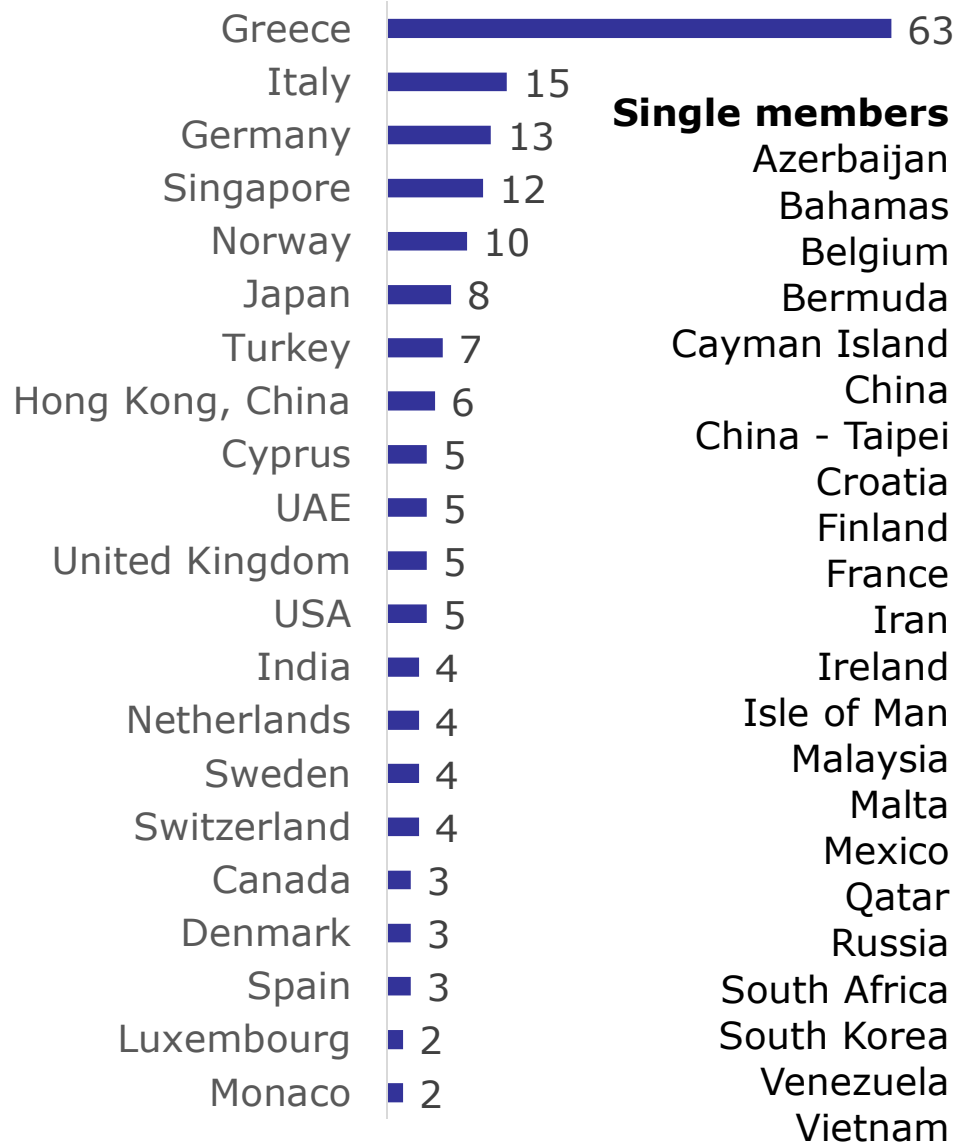




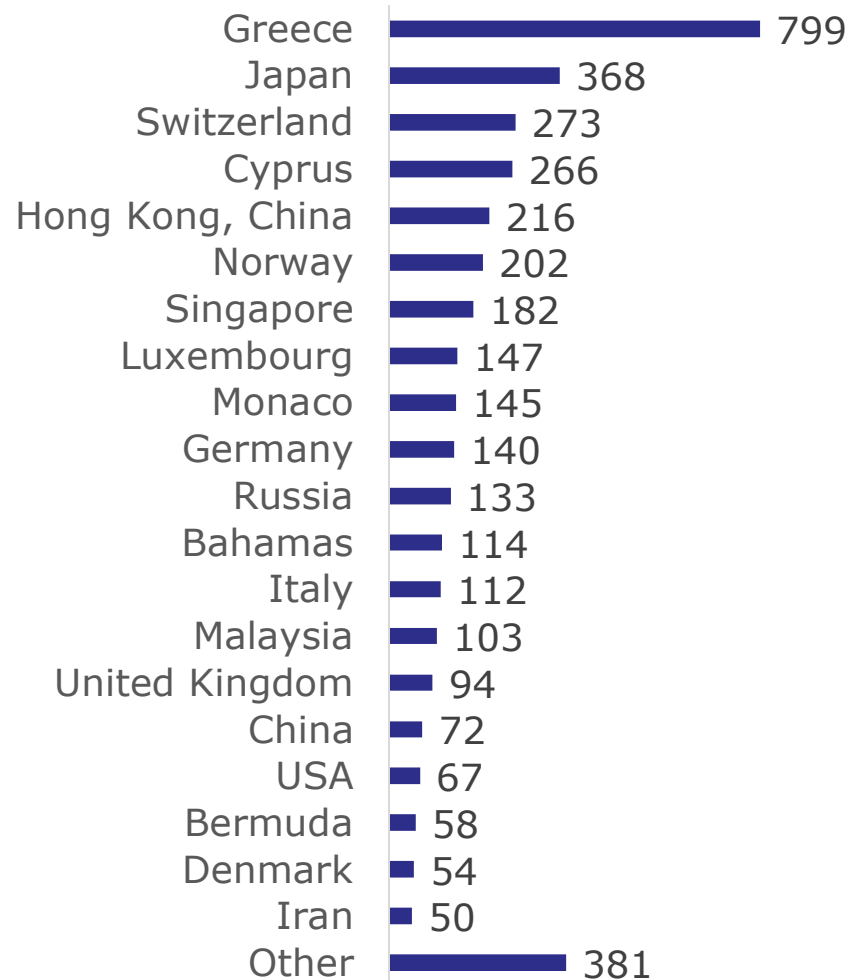
INTERTANKO

2018 Membership by Registration

Member Companies



Vessels





INTERTANKO

2018 INTERTANKO COMMITTEES





INTERTANKO

Main Focus Areas

Safety	Seafarers	Environment	Operations	Commercial Sustainability
Tanker design/ construction <ul style="list-style-type: none"> - Enforcement of CSR - Classification standards 	Fair treatment <ul style="list-style-type: none"> - Criminalization - Shore access/visas - Medical treatment 	Emissions to water <ul style="list-style-type: none"> - Ballast water - Reception facilities & waste minimization - Hull fouling man't 	Vetting & Risk Assessment Port state control	Payment performance Charter party terms & Documentation
Machinery/ equipment <ul style="list-style-type: none"> - Lifesaving appliances - Classification standards 	Crew competence <ul style="list-style-type: none"> - Training requ'mnts (ECDIS, BWM) 	Emissions to air <ul style="list-style-type: none"> - SOX, NOX, VOC - Greenhouse gas emissions - Energy efficiency - Monitoring, Reporting & Verification (MRV) 	Ports <ul style="list-style-type: none"> - Ports & Terminals - Offshore Ops - Piracy 	Worldscale Insurance <ul style="list-style-type: none"> - Compensation - Liability limits - Reinsurance
Fuel <ul style="list-style-type: none"> - Quality - Sampling - Switching operations - LNG, Biofuels - Alternate fuels 				Anti-corruption
Cargo <ul style="list-style-type: none"> - Properties - Safe tank entry - Gas detection - Inert gas - Biofuels 		EPA VGP <ul style="list-style-type: none"> - Recordkeeping - Monitoring 	Chemical tanker ops Gas tanker ops Refugees	

**VETTING
COMPETENCY MANAGEMENT
BALLAST WATER MANAGEMENT
GREENHOUSE GAS EMISSIONS
FUEL OIL QUALITY & AVAILABILITY**



INTERTANKO

Your Secretariat

CORPORATE AFFAIRS



Katharina Stanzel
Managing Director
London
T: +44 20 7977 7014
E: katharina.stanzel@intertanko.com



Alexandra Hardman
Assistant Manager
Corporate
London
T: +44 207 977 7021
E: alexandra.hardman@intertanko.com

LEGAL, INSURANCE & DOCUMENTARY



Michele White
General Counsel &
Company Secretary
London
T: +44 20 7977 7030
E: michele.white@intertanko.com

REGULATORY AFFAIRS



Joe Angelo
Director of
Regulatory Affairs
and Americas
Washington DC
T: +1 703 373 2269
E: joe.angelo@intertanko.com

COMMERCIAL



Bill Box
Senior Manager,
Commercial
London
T: +44 20 7977 7023
E: bill.box@intertanko.com



Dimitris Dimopoulos
Assistant Manager,
Commercial
Athens
T: +30 210 373 1772
E: Dimitris.Dimopoulos@intertanko.com

OFFICE OPERATIONS



Janet Daly
Operations Manager
London
T: +44 207 977 7012
E: janet.daly@intertanko.com



Huong-Cam Susan To
Assistant Manager II,
London
T: +44 20 7977 7024
E: susan.to@intertanko.com

ENVIRONMENT



Tim Wilkins
Environment Director
Regional Manager
Asia Pacific
Singapore
T: +65 6333 4007
E: tim.wilkins@intertanko.com



Joyce Teng
Assistant Regional
Manager
Asia Pacific
Singapore
T: +65 6333 4007
E: joyce.teng@intertanko.com



Eflin Harun
Environment
Manager
Singapore
T: +65 6333 4007
E: eflin.harun@intertanko.com

GAS



Claire Georgeson
Commercial and
Markets Manager
T: +44 20 7977 7037
E: claire.georgeson@intertanko.com



Gas Manager
T: +44 20 7977 7037
E: gas@intertanko.com

CHEMICALS



Patrick Keffler
Chemicals Manager
Washington DC
T: +1 703 373 2269
E: patrick.keffler@intertanko.com

MARINE



Phillip Belcher
Marine Director
London Office
Manager
London
T: +44 20 7977 7033
E: philip.belcher@intertanko.com



Johan Gahnstrom
Senior Manager,
Ports & Terminals
London
T: +44 20 7977 7022
E: johan.gahnstrom@intertanko.com



Frans Ubaghs
London
T: +44 207 977 7017
E: frans.ubaghs@intertanko.com



Adele Robinson
Assistant Manager,
Marine
London
T: +44 20 7977 7010
E: adele.robison@intertanko.com

FINANCE AND ADMINISTRATION



Tor Kristoffer Kise
Senior Manager
Finance &
Administration
Oslo
T: +47 22 122 667
E: tor.kise@intertanko.com



Petter Markussen
Assistant Manager,
Accounts & Finance
Oslo
T: +47 22 122 663
E: petter.markussen@intertanko.com

EXTERNAL RELATIONS, COMMS AND PUBLICATIONS



Phillip Blanshard
Manager
External Relations,
Comms & Publications
London
T: +44 20 7977 7032
E: phil.blanshard@intertanko.com



Alec Kennedy
Editor
London
T: +44 20 7977 7032
E: editor@intertanko.com

TECHNICAL & ENGINEERING



Dragos Rauts
Technical Director
European Affairs
Coordinator
Oslo office manager
Oslo
T: +47 22 122 650
E: dragos.rauts@intertanko.com



Gil-Yong Han
Senior Manager,
Technical
London
E: gil-yong.han@intertanko.com



Donna Tang de Leon
Assistant Manager,
Technical
Oslo
T: +47 22 122 687
E: donna.leon@intertanko.com



INTERTANKO London
St Clare House
30-33 Minories



INTERTANKO Oslo
Nedre Vollgate 4



INTERTANKO Singapore
Suntec City Tower 2
9 Temasek Boulevard



INTERTANKO North America
801 North Quincy Street



INTERTANKO Athens
Karagiorgi Servias 2



INTERTANKO Brussels
Rue du Congrès 37-41



INTERTANKO Documentary Committee

INTERTANKO

Recently published Clauses and Publications

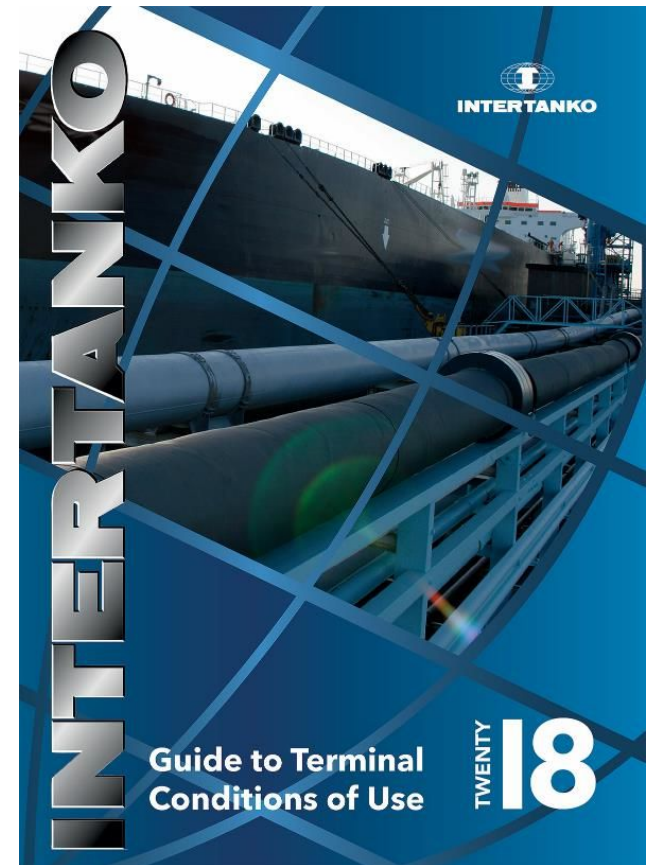
Clauses

- Worldscale Costs Clause (March '18)
- Demurrage Payment Clause (July '18)
- Interest on Late Payments (July '18)
- River Ports Clause (Oct '18)
- Mass Flow Meter Clause (Oct '18)

Publications

- INTERTANKO Guide to Terminal Conditions of Use (June '18)

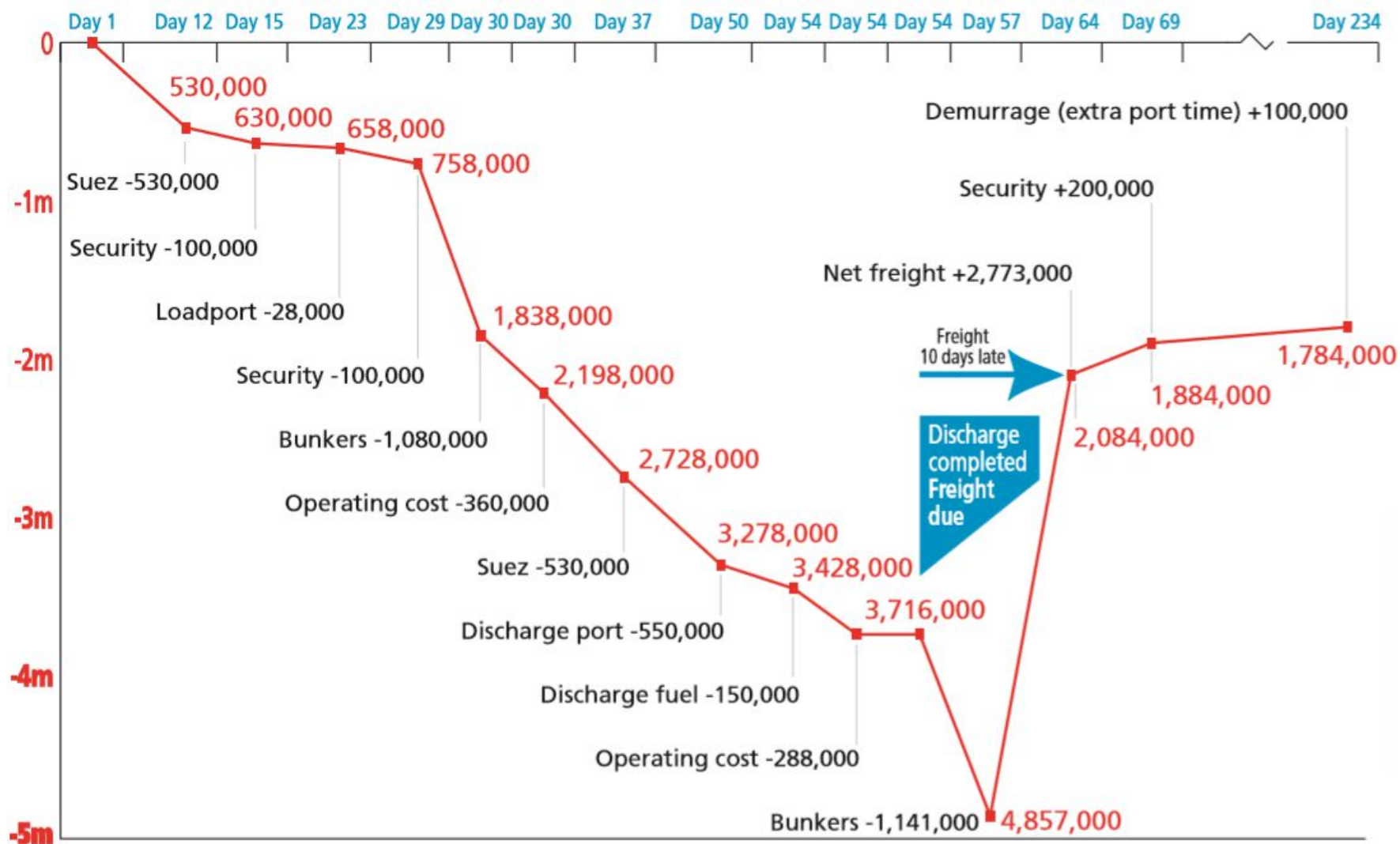
Freight Demurrage and Information Pool Payment Performance System





INTERTANKO Payment Clauses – Why do we need them? A typical tanker voyage cash flow

INTERTANKO





INTERTANKO Worldscale Costs Clause

If Charterers order the Vessel to a port/location ('port') for which:

- (i) Worldscale makes no, or only partial, allowance for costs in the calculation of the Worldscale flat rate; or*
- (ii) there are additional costs due only to size of the Vessel not accounted for by Worldscale; or*
- (iii) there are additional costs due to revised tariffs not accounted for by Worldscale in:*
 - (a) the calculation of the flat rate: or*
 - (b) a fixed/variable differential: or*
 - (c) a Worldscale Circular,*

all such costs or additional costs at that port, including but not limited to port disbursements, agency, towage, pilotage, standby tugs, shall be for Charterers' account and settled directly by them.

Alternatively, if paid directly by Owners, such additional costs will be reimbursed to Owners against Owners' invoice and supporting documents.

**INTERTANKO Demurrage Payments Clause**

1. Charterers shall promptly notify Owners in writing of any objections to any demurrage claim (including objections to Owner's supporting documents) under this charterparty.
2. Unless Owners receive notification from Charterers of any objection to any demurrage claim in accordance with sub-paragraph 1 (above), and in any event, no later than [30] days following Owners' presentation of claim to Charterers, Charterers shall be deemed to have:
(a) unconditionally accepted the claim as presented by Owners; Or
(b) waived any objection to the claim (other than those notified) including, without limitation, any time bar relating to presentation of the claim.
3. Charterers shall promptly pay any undisputed part of any demurrage claim amount, in any event no later than [30] calendar days following presentation of the claim to Charterers.
4. Notwithstanding any other provision in this charterparty, Owners have the right to present a separate demurrage claim for loading port(s) if demurrage is incurred there.
5. Payment of any demurrage claim, whether in whole in or part, shall be made by Charterers without any set off or deduction for any counterclaim, including but not limited to any cargo claim, provided reasonable security for any documented counterclaims has been provided by Owners. An undertaking from a P&I club in the International Group is agreed to be reasonable security in this respect.
6. Charterers shall pay interest on all demurrage due and unpaid at LIBOR plus 2% p.a. calculated from the [30th] day after Owners' presentation of a demurrage claim until payment is made.

**INTERTANKO Interest on Late Payments Clause**

If Charterers fail to pay freight in full so as to be received by Owners within three/five (3/5) days after it is due, or in the case of demurrage within 30 days after it is invoiced, interest shall accrue on the overdue amount, from the due date until the date paid, at XXXX% p.a.



INTERTANKO

Current Work Programme

Clauses

- Anti-fouling and Storage Clauses
- LNG as Fuel
- BBB Clause for Tankers
- Ballast Water Management Clauses - revision
- Scrubbers
- **Bunker 2020**

Publications and Issues under Discussion

- Guide to LNG Chartering
- Bunker Supply Terms
- Freight Payment Models
- Shelltime 4 Commentary



INTERTANKO

BUNKER 2020 – The Ideal for buyers and users

MARPOL Annex VI 2020 FUEL OIL SULPHUR CAP

Best practice for fuel oil purchasers/users:

- Fuel oil purchasers are responsible for **correctly specifying the fuel oil which is to be supplied.**
- It is the responsibility of the supplier to **deliver fuel oil which is compliant** with the agreed specification which in turn complies with the Regulations (MARPOL and other).
- Fuel oil purchasers should strive to **purchase fuel oil from quality-oriented fuel oil suppliers.**
- It is recommended that the fuel oil purchaser **has a sample of fuel oil collected during bunkering analysed** to confirm that it complies with the agreed specification in the contract.



2020 – Some Issues

INTERTANKO

1. Compliance with MARPOL Annex VI provisions – ECA provisions and 0.5% Sulphur Cap
2. Impact on machinery systems
3. Fuel oil non-availability
4. Development of guidance that may assist Member States and stakeholders
5. Fuel specification ? - Update ISO 8217? New ISO?
6. Safety implications relating blending fuels
7. Charterer provides; Owner takes responsibility



INTERTANKO

BUNKER 2020 - INTERTANO

WHAT IS INTERTANKO DOING TO HELP MEMBERS?

- Promote the global use of clean fuels to reduce air emissions from ships
- Advise on both compliance with MARPOL Annex VI /other regulations on fuel oil and practical issues
- Assist Members in making the right choices for their ships to comply with air emission requirements - LSFO? Scrubbers?
- Provide advice and guidance on the cost-benefits of the use of clean fuels and the alternative options available to comply with Annex VI of MARPOL
- Provide suite of INTERTANKO Model Clauses for Bunker Emissions and Sulphur Cap



INTERTANKO Bunker Clauses

INTERTANKO

INTERTANKO Bunker Emissions and Sulphur Cap Clause and Transitional Provisions

1. **‘Compliant Bunkers’** - Charterer warrants compliance with:
 - a. MARPOL Reg 14 re. global sulphur cap and % m/m in ECA
 - b. MARPOL Reg 18 re. bunker quality
 - c. SOLAS requirements of min. flashpoint of 60°C
 - d. local, regional and national regs.
 - e. compatibility with previous supplies
 - f. current ISO 8217 and/or any other c/p specifications
 - g. fitness for purpose
2. Charterers will provide:
 - a. bunker delivery note in accordance with MARPOL
 - b. samples in accordance with MARPOL
3. Charterers will ensure bunker suppliers are registered (if appropriate) and that they comply with MARPOL Reg. 14 and 18



INTERTANKO Bunker Clauses

INTERTANKO

4. Owner warrants:

- a. compliance with MARPOL Reg 14 and 18
- b. compliance with local, regional and national regs.
- c. compatibility tests before use of new supply
- d. segregation of new supply until compatibility established
- e. participation in bunker testing
- f. vessel can burn 'Compliant Bunkers'; speed and performance warranties are dependent on this.

5. Reciprocal indemnities Owner/Charterer for breach

Plus Transitional Provisions



INTERTANKO Bunker Clauses

INTERTANKO

Plus Transitional Provisions for:

1. redelivery end 2019

- a. removal of HFO
- b. sufficient Compliant Bunkers on board for use post 1/1/2020

2. redelivery after 31 December 2019

- a. removal of HFO
- b. tank cleaning/flushing
- c. disposal of residues
- d. sufficient Compliant Bunkers on board for use post 1/1/2020
- e. costs
- f. hire provisions



INTERTANKO Bunker Clauses

INTERTANKO

Further possible INTERTANKO Bunker Clauses:

1. Bunker Deviation Clause
2. Fuel Changeover Clause
3. Redelivery bunkers
4. ECA Fuel Surcharge (revision)
5. Scrubbers Clause

Plus **INTERTANKO Model Bunker Supply Contract** terms to address:

1. Quality/Quantity
2. Exclusion of liability
3. Law and jurisdiction
4. Time bars



INTERTANKO

INTERTANKO Model Clauses

...coming to a screen near you

www.intertanko.com

Thank you for your attention

Michele.white@Intertanko.com