



INSTITUTE OF
CHARTERED
SHIPBROKERS

MAY 2023 EXAMINATION SESSION
TUESDAY 23rd MAY 2023 – MORNING

LEGAL PRINCIPLES IN SHIPPING BUSINESS

Time allowed – three hours

Answer any FIVE questions – all questions carry equal marks

Please read the questions carefully before answering

1. Answer **ALL** parts of the question.

With respect to Bills of lading issued within the context of carriage of goods at sea, discuss the following:

- a) Negotiability of Bill of lading
- b) Transferability of Bill of lading
- c) Identity of carrier in Bill of lading

2. Answer **ALL** parts of the question.

With respect to time and voyage charterparties discuss the following:

- a) Off-Hire Clause
- b) Once on demurrage, always on demurrage
- c) Illegitimate Last Voyage

3. You are asked to advise on a dispute resolution clause in a charterparty. Your advice should contain reasons why you would prefer the clause to have arbitration or mediation or litigation as a means to resolve potential disputes.

4. Answer **ALL** parts of the question.

In the context of Law of Contract and Tort under English Law, discuss the following:

- a) Consideration
- b) Misrepresentation
- c) Vicarious Liability

PLEASE TURN OVER

5. Discuss the key differences between voyage charters, time charters and demise charters.
6. Answer **ALL** parts of the question.

In the context of Law of Agency under English Law, discuss the following:

- a) Duties of an agent
 - b) Undisclosed principal
 - c) Agency of necessity
7. A vessel was chartered for a Time charter trip pursuant to NYPE terms, whose Recap stated, “1 tct via sp(s) sb(s) sa(s) ... via Shanghai to Mombasa with cargo of steel coils...” At the load port, there was a fire in the galley of the vessel and the Port of Shanghai had instructed the vessel to cease all loading operations for 8 hours. When the vessel arrived at Mombasa, stevedores appointed by receivers of cargo refuse to discharge the cargo as they alleged that the cranes of the vessel are not safe to operate and they highlight leaking hydraulic oil everywhere and issues with the electronics of the cranes. The vessel’s operations were stopped for further 5 hours until the surveyor later gave all clear for the cargo operations to commence. After completing discharging operations, while the vessel was leaving the port of Mombasa under the instructions of a local pilot, vessel collided with a buoy inside the port area and suffered serious hull damage. The vessel was detained for 24 hours at the port and the urgent temporary repairs were carried out during this period.
Advise the ship owners of the various legal issues with respect to the time charterparty and the remedies available to them. Assume English law to answer the question.
 8. A cargo of steel pipes was loaded on a vessel at Dalian. Mates Receipt for the loaded cargo was issued with remarks that – “pipes are corroded at various places and *FOUR pipes are bent at edges*”. However, the Time Charterers request the Ship owners to issue a clean bill of lading for the loaded cargo. After much discussion, a Letter of Indemnity was issued by the shippers/voyage Charterers to the Time Charterers. Thereafter, the Time charterers issued their own Letter of Indemnity and presented it to the Ship owners. At the discharge port, Barcelona (Spain), when the hatch covers were opened to commence discharge, the joint surveyor found considerable ingress of water in Hold No.1. The vessel had encountered heavy seas in South China Sea and Indian Ocean. At least 20 pipes were found completely damaged.
Assuming *Hague Visby Rules* apply, advise the Ship owners of their liability and defence for cargo damage.