VOYAGE CHARTER PARTY LAYTIME INTERPRETATION RULES 1993

issued jointly by BIMCO, CMI, FONASBA and INTERCARGO.

E 1.10

Code Name: VOYLAYRULES 93

PREAMBLE

The interpretations of words and phrases used in a charter party, as set out below, and the

corresponding initials if customarily used, shall apply when expressly incorporated in the charter party, wholly or

partly, save only to the extent that they are inconsistent with any express provision of it.

When the word "charter party" is used, it shall be understood to extend to any form of contract of carriage or

affreightment including contracts evidenced by bills of lading.

LIST OF RULES

1. "PORT"

2. "BERTH"

3. "REACHABLE ON HER ARRIVAL" or "ALWAYS ACCESSIBLE"

4. "LAYTIME"

5. "PER HATCH PER DAY"

6. "PER WORKING HATCH PER DAY" (WHD) or "PER WORKABLE HATCH PER DAY (WHD)

7. "DAY"

8. "CLEAR DAYS"

9. "HOLIDAY"

10. "WORKING DAY" (WD)

11. "RUNNING DAYS" or "CONSECUTIVE DAYS"

12. "WEATHER WORKING DAY" (WWD) or "WEATHER WORKING DAY OF 24 HOURS" or "WEATHER

   WORKING DAY OF 24 CONSECUTIVE HOURS"

13. "WEATHER PERMITTING" (WP)

14. "EXCEPTED" or "EXCLUDED"

15. "UNLESS SOONER COMMENCED"

16. "UNLESS USED" (UU)
17. "TO AVERAGE LAYTIME"

18. "REVERSIBLE LAYTIME"

19. "NOTICE OF READINESS" (NOR)

20. "IN WRITING"

21. "TIME LOST WAITING FOR BERTH TO COUNT AS LOADING OR DISCHARGING TIME" or "AS LAYTIME"

22. "WHETHER IN BERTH OR NOT" (WIBON) or "BERTH OR NO BERTH"

23. "VESSEL BEING IN FREE PRATIQUE" and/or "HAVING BEEN ENTERED AT THE CUSTOM HOUSE"

24. "DEMURRAGE"

25. "DESPATCH MONEY" or "DESPATCH"

26. "DESPATCH ON (ALL) WORKING TIME SAVED" (WTS) or "ON (ALL) LAYTIME SAVED"

27. "DESPATCH ON ALL TIME SAVED" (ATS)

28. "STRIKE"

RULES

1. "PORT" shall mean an area, within which vessels load or discharge cargo whether at berths, anchorages, buoys, or the like, and shall also include the usual places where vessels wait for their turn or are ordered or obliged to wait for their turn no matter the distance from that area. If the word "PORT" is not used, but the port is (or is to be) identified by its name, this definition shall still apply.

2. "BERTH" shall mean the specific place within a port where the vessel is to load or discharge. If the word "BERTH" is not used, but the specific place is (or is to be) identified by its name, this definition shall still apply.

3. "REACHABLE ON HER ARRIVAL" or "ALWAYS ACCESSIBLE" shall mean that the charterer undertakes that an available loading or discharging berth be provided to the vessel on her arrival at the port which she can reach safely without delay in the absence of an abnormal occurrence.

4. "LAYTIME" shall mean the period of time agreed between the parties during which the owner will make and keep the vessel available for loading or discharging without payment additional to the freight.

5. "PER HATCH PER DAY" shall mean that the laytime is to be calculated by dividing (A), the quantity of cargo, by (B), the result of multiplying the agreed daily rate per hatch by the number of the vessel's hatches. Thus:
Quantity of cargo

Laytime = ---------------------------------------------- = Days
Daily rate X Number of Hatches

Each pair of parallel twin hatches shall count as one hatch. Nevertheless, a hatch that is capable of being worked by two gangs simultaneously shall be counted as two hatches.

6. "PER WORKING HATCH PER DAY" (WHD) or "PER WORKABLE HATCH PER DAY" (WHD) shall mean that the laytime is to be calculated by dividing (A), the quantity of cargo in the hold with the largest quantity, by (B), the result of multiplying the agreed daily rate per working or workable hatch by the number of hatches serving that hold.

Thus:

Largest Quantity in one Hold
Laytime = ---------------------------------------------- = Days
Daily Rate per Hatch X Number of
Hatches serving that Hold.

Each pair of parallel twin hatches shall count as one hatch. Nevertheless, a hatch that is capable of being worked by two gangs simultaneously shall be counted as two hatches.

7. "DAY" shall mean a period of twenty-four consecutive hours running from 0000 hours to 2400 hours. Any part of a day shall be counted pro rata.

8. "CLEAR DAYS" shall mean consecutive days commencing at 0000 hours on the day following that on which a notice is given and ending at 2400 hours on the last of the number of days stipulated.

9. "HOLIDAY" shall mean a day other than the normal weekly day(s) of rest, or part thereof, when by local law or practice the relevant work during what would otherwise be ordinary working hours is not normally carried out.

10. "WORKING DAYS" (WD) shall mean days not expressly excluded from laytime.
11. "RUNNING DAYS" or "CONSECUTIVE DAYS" shall mean days which follow one immediately after the other.

12. "WEATHER WORKING DAY" (WWD) or "WEATHER WORKING DAY OF 24HOURS" or "WEATHER WORKING DAY OF 24 CONSECUTIVE HOURS" shall mean a working day of 24 consecutive hours except for any time when weather prevents the loading or discharging of the vessel or would have prevented it, had work been in progress.

13. "WEATHER PERMITTING" (WP) shall mean that any time when weather prevents the loading or discharging of the vessel shall not count as laytime.

14. "EXCEPTED" or "EXCLUDED" shall mean that the days specified do not count as laytime even if loading or discharging is carried out on them.

15. "UNLESS SOONER COMMENCED" shall mean that if laytime has not commenced but loading or discharging is carried out, time used shall count against laytime.

16. "UNLESS USED" (UU) shall mean that if laytime has commenced but loading or discharging is carried out during periods excepted from it, such time shall count.

17. "TO AVERAGE LAYTIME" shall mean that separate calculations are to be made for loading and discharging and that any time saved in one operation is to be set off against any excess time used in the other.

18. "REVERSIBLE LAYTIME" shall mean an option given to the charterer to add together the time allowed for loading and discharging. Where the option is exercised the effect is the same as a total time being specified to cover both operations.

19. "NOTICE OF READINESS" (NOR) shall mean the notice to charterer, shipper, receiver or other person as required by the charter party that the vessel has arrived at the port or berth, as the case may be, and is ready to load or discharge.

20. "IN WRITING" shall mean any visibly expressed form of reproducing words; the medium of transmission shall include electronic communications such as radio communications and telecommunications.
21. "TIME LOST WAITING FOR BERTH TO COUNT AS LOADING OR DISCHARGING TIME" or "AS LAYTIME" shall mean that if no loading or discharging berth is available and the vessel is unable to tender notice of readiness at the waiting-place then any time lost to the vessel shall count as if laytime were running, or as time on demurrage if laytime has expired. Such time shall cease to count once the berth becomes available. When the vessel reaches a place where she is able to tender notice of readiness laytime or time on demurrage shall resume after such tender and, in respect of laytime, on expiry of any notice time provided in the charter party.

22. "WHETHER IN BERTH OR NOT" (WIBON) or "BERTH OR NO BERTH" shall mean that if no loading or discharging berth is available on her arrival the vessel, on reaching any usual waiting-place at or off the port, shall be entitled to tender notice of readiness from it and laytime shall commence in accordance with the charter party. Laytime or time on demurrage shall cease to count once the berth becomes available and shall resume when the vessel is ready to load or discharge at the berth.

23. "VESSEL BEING IN FREE PRATIQUE" and/or "HAVING BEEN ENTERED AT THE CUSTOM HOUSE" shall mean that the completion of these formalities shall not be a condition precedent to tendering notice of readiness, but any time lost by reason of delay in the vessel's completion of either of these formalities shall not count as laytime or time on demurrage.

24. "DEMURRAGE" shall mean an agreed amount payable to the owner in respect of delay to the vessel beyond the laytime, for which the owner is not responsible. Demurrage shall not be subject to laytime exceptions.

25. "DESPATCH MONEY" or "DESPATCH" shall mean an agreed amount payable by the owner if the vessel completes loading or discharging before the laytime has expired.

26. "DESPATCH ON (ALL) WORKING TIME SAVED" (WTS) or "ON (ALL) LAYTIME SAVED" shall mean that despatch money shall be payable for the time from the completion of loading or discharging to the expiry of the laytime excluding any periods excepted from the laytime.

27. "DESPATCH ON ALL TIME SAVED" (ATS) shall mean that despatch money shall be payable for the time from the completion of loading or discharging to the expiry of the laytime including periods excepted from the laytime.

28. "STRIKE" shall mean a concerted industrial action by workmen causing a complete stoppage of their work which directly interferes with the working of the vessel. Refusal to work overtime, go-slow or working to rule and comparable actions not causing a complete stoppage shall not be considered a strike. A strike shall be understood to exclude its consequences when it has ended, such as congestion in the port or effects upon the means of transportation bringing or taking the cargo to or from the port.
# STANDARD STATEMENTS OF FACTS (SHORT FORM)

RECOMMENDED BY
THE BALTIC AND INTERNATIONAL MARITIME CONFERENCE (BIMCO)
AND THE FEDERATION OF NATIONAL ASSOCIATIONS
OF SHIP BROKERS AND AGENTS (FONASBA)

## 1. Agents

### Name and signature (Agents)*

### Name and signature (for the Charterers/Shippers/Receivers)*

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## 2. Vessel’s name

### 3. Port

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## 4. Owners/Disponent Owners

### 5. Vessel berthed

### 6. Loading commenced

### 7. Loading completed

### 8. Cargo

### 9. Discharging commenced

### 10. Discharging completed

### 11. Cargo documents on board

### 12. Vessel sailed

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## 13. Charter Party*

### 14. Working hours/meal hours of the port*

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## 15. Bill of Lading weight/quantity

### 16. Outturn weight/quantity

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## 17. Vessel arrived on roads

### 18.

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## 19. Notice of readiness tendered

### 20.

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## 21. Next tide available

### 22.

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## DETAILS OF DAILY WORKING*

<table>
<thead>
<tr>
<th>Date</th>
<th>Day</th>
<th>Hours worked</th>
<th>Hours stopped</th>
<th>No. of gangs</th>
<th>Quantity load/disch.</th>
<th>Remarks*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>From to From to</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**General remarks***

**Place and date**

**Name and signature (Master)*

**Name and signature (Agents)*

**Name and signature (for the Charterers/Shippers/Receivers)*

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* See Explanatory Notes overleaf for filling in the boxes

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INSTRUCTIONS FOR FILLING IN THE BOXES

General
It is recommended to fill in the boxes with a short text. When it is a matter of figures to be inserted as is the case in most of the boxes, this should be done as follows:

<table>
<thead>
<tr>
<th>6. Loading commenced</th>
</tr>
</thead>
<tbody>
<tr>
<td>1975-03-15-0800</td>
</tr>
</tbody>
</table>

the figures being mentioned in the following order: year-month-date-time.

Boxes Calling for Special Attention

Charter Party*:
Insert name and date of charter, for instance, "Gencon" dated 1975-03-01.

Working hours/meal hours of the port*:
Indicate normal working hours/meal hours of the port and not the actual hours worked on board the vessel which may be longer or shorter than the hours normally worked in the port. Such day-by-day figures should be indicated in the box provided for under "Details of Daily Working".

Some empty boxes are made available in which other relevant information applying to the particular port or vessel could be inserted, such as, time of granting free pratique, if applicable, etc.

Details of Daily Working*:
Insert day-by-day figures and indicate in the vertical column marked "Remarks*": all relevant details as to reasons for stoppages such as bad weather, strikes, breakdown of winches/cranes, shortage of cargo, etc.

General Remarks*:
This box should be used for insertion of such general observations which are not covered in any of the boxes provided for in the first main group of boxes, for instance, reasons for berthing delay or other general observations.

Signatures*:
It is of importance that the boxes provided for signatures are duly signed by the parties concerned.

This Agreement is made on 1 September 1996 between the P&I Clubs being members of The International Group of P&I Associations (hereafter referred to as "the Clubs").

This Agreement replaces the Inter-Club Agreement 1984 in respect of all charterparties specified in Clause (1) hereof and shall continue in force until varied or terminated. Any variation to be effective must be approved in writing by all the Clubs but it is open to any Club to withdraw from the Agreement on giving to all the other Clubs not less than three months' written notice thereof, such withdrawal to take effect at the expiration of that period. After the expiry of such notice, the Agreement shall nevertheless continue as between all the Clubs, other than the Club giving such notice who shall remain bound by and be entitled to the benefit of this Agreement in respect of all cargo claims arising out of charterparties commenced prior to the expiration of such notice.

The Clubs will recommend to their Members without qualification that their Members adopt this Agreement for the purpose of apportioning liability for claims in respect of cargo which arise under, out of or in connection with all charterparties on the New York Produce Exchange Form 1946 or 1993 or Asbatime Form 1981 (or any subsequent amendment of such forms), whether or not this Agreement has been incorporated into such charterparties.

Scope of application

(1) This Agreement applies to any charterparty which is entered into
after the date hereof on the New York Produce Exchange Form 1946 or 1993 or Asbatime Form 1981 (or any subsequent amendment of such forms).

(2) The terms of this Agreement shall apply notwithstanding anything to the contrary in any other provision of the charterparty; in particular the provisions of Clause (6) (time bar) shall apply notwithstanding any provision of the charterparty or rule of law to the contrary.

(3) For the purposes of this Agreement, cargo claim(s) mean claims for loss, damage, shortage (including slackage, ullage or pilferage), overcarriage of or delay to cargo including customs dues or fines in respect of such loss, damage, shortage, overcarriage or delay and include:

(a) any legal costs claimed by the original person making any such claim;

(b) any interest claimed by the original person making any such claim;

(c) all legal, Club correspondents' and experts' costs reasonably incurred in the defence of or in the settlement of the claim made by the original person, but shall not include any costs of whatsoever nature incurred in making a claim under this Agreement or in seeking an indemnity under the charterparty.

(4) Apportionment under this Agreement shall only be applied to cargo claims where:

(a) the claim was made under a contract of carriage, whatever its form,

(i) which was authorised under the charterparty;
or
(ii) which would have been authorised under the charterparty but
for the inclusion in that contract of carriage of Through
Transport or Combined Transport provisions, provided that
(iii) in the case of contracts of carriage containing Through
Transport or Combined Transport provisions (whether falling
within (i) or (ii) above) the loss, damage, shortage,
overcarriage or delay occurred after commencement of the loading
of the cargo onto the chartered vessel and prior to completion
of its discharge from that vessel (the burden of proof being on
the Charterer to establish that the loss, damage, shortage,
overcarriage or delay did or did not so occur); and
(iv) the contract of carriage (or that part of the transit that
comprised carriage on the chartered vessel) incorporated terms
no less favourable to the carrier than the Hague or Hague Visby
Rules, or, when compulsorily applicable by operation of law to
the contract of carriage, the Hamburg Rules or any national law
giving effect thereto; and
(b) the cargo responsibility clauses in the charterparty have not
been materially amended. A material amendment is one which makes
the liability, as between owners and charterers, for cargo claims
clear. In particular, it is agreed solely for the purposes of this
Agreement:
(i) that the addition of the words "and responsibility" in
Clause 8 of the New York Produce Exchange Form 1946 or 1993 or
Clause 8 of the Asbatime Form 1981, or any similar amendment of
the charterparty making the Master responsible for cargo
handling, is not a material amendment; and

(ii) that if the words "cargo claims" are added to the second
sentence of Clause 26 of the New York Produce Exchange Form 1946
or 1993 or Clause 25 of the Asbatime Form 1981, apportionment
under this Agreement shall not be applied under any
circumstances even if the charterparty is made subject to the
terms of this Agreement; and

(c) the claim has been properly settled or compromised and paid.

(5) This Agreement applies regardless of legal forum or place of
arbitration specified in the charterparty and regardless of any
incorporation of the Hague, Hague Visby Rules or Hamburg Rules
therein.

Time Bar

(6) Recovery under this Agreement by an Owner or Charterer shall be
deemed to be waived and absolutely barred unless written
notification of the cargo claim has been given to the other party to
the charterparty within 24 months of the date of delivery of the
cargo or the date the cargo should have been delivered, save that,
where the Hamburg Rules or any national legislation giving effect
tereto are compulsorily applicable by operation of law to the
contract of carriage or to that part of the transit that comprised
carriage on the chartered vessel, the period shall be 36 months.
Such notification shall if possible include details of the contract
of carriage, the nature of the claim and the amount claimed.

The apportionment

(7) The amount of any cargo claim to be apportioned under this
Agreement shall be the amount in fact borne by the party to the
charterparty seeking apportionment, regardless of whether that claim may be or has been apportioned by application of this Agreement to another charterparty.

(8) Cargo claims shall be apportioned as follows:

(a) Claims in fact arising out of unseaworthiness and/or error or fault in navigation or management of the vessel:

  100% Owners

  save where the Owner proves that the unseaworthiness was caused by the loading, stowage, lashing, discharge or other handling of the cargo, in which case the claim shall be apportioned under sub-Clause (b).

(b) Claims in fact arising out of the loading, stowage, lashing, discharge, storage or other handling of cargo:

  100% Charterers

  unless the words "and responsibility" are added in Clause 8 or there is a similar amendment making the Master responsible for cargo handling in which case:

  50% Charterers

  50% Owners

  save where the Charterer proves that the failure properly to load, stow, lash, discharge or handle the cargo was caused by the unseaworthiness of the vessel in which case:

  100% Owners

(c) Subject to (a) and (b) above, claims for shortage or overcarriage:

  50% Charterers

  50% Owners
unless there is clear and irrefutable evidence that the
claim arose out of pilferage or act or neglect by one or the
other (including their servants or sub-contractors) in which
case that party shall then bear 100% of the claim.

(d) All other cargo claims whatsoever (including claims for delay
to cargo):

50% Charterers

50% Owners

unless there is clear and irrefutable evidence that the
claim arose out of the act or neglect of the one or the
other (including their servants or sub-contractors) in which
case that party shall then bear 100% of the claim.

Governing Law

(9) This Agreement shall be subject to English Law and Jurisdiction,
unless it is incorporated into the charterparty (or the settlement
of claims in respect of cargo under the charterparty is made subject
to this Agreement), in which case it shall be subject to the law and
jurisdiction provisions governing the charterparty.
The Federation of National Associations of Ship Brokers and Agents

TIME CHARTER INTERPRETATION CODE 2000

Disclaimer

Where any of this code conflicts with any of the terms of the relevant time charter, those of the latter shall prevail to that extent, but no further:

Introduction:

AIMS AND OBJECTS

In commercial practice many aims and objectives for standardisation are often frustrated by the laws in different jurisdictions and where the legal understanding and interpretation may differ the one from the other.

The main jurisdictions applicable to maritime disputes are:

a) The Common Law countries – mainly England and the USA.

b) The Civil Law countries such as France, Germany, Italy, etc.

The endeavour is not going to be the alter-ego of the Laytime Definitions for Voyage Charters; nor is this an attempt to create new charter party clauses, but merely a Code of how to interpret existing charter party clauses as well as to assist disputing parties where charter parties are silent or non-determining.

There is a vast difference between definition and interpretation, but in some ways and sometimes they may compliment one another. For example, nobody in shipping needs a definition of what speed and consumption are or mean, but how should one deal with a speed claim, if any?

The chief objective of the Code is to try to eliminate many often occurring and avoidable maritime charter parties disputes in the field of time charter.
1. Speed and Consumption

The following is to apply to any dry cargo time charter not containing a performance clause, and to any combination carrier when engaged in dry cargo trading:

The speed and consumption warrantees of the time charter are to apply for its duration and whether the vessel is fully, partly loaded or in ballast, and shall be computed from pilot station to pilot station on all sea passages while the vessel is on hire, **excluding:**

a) Any day on which winds of Beaufort Wind Scale 4 or above are encountered for more than six (6) consecutive hours;

b) Any time during which speed is deliberately reduced for reasons of safety, or on charterers’ orders to steam at economical or reduced speed, or when the vessel is navigating within confined waters, or when assisting vessels in distress;

c) Any complete sea passage of less than 24 hours duration from pilot station to pilot station;

d) Periods in which time is lost on charterers’ instructions or due to causes expressly excepted under terms of the time charter;

e) Periods when the vessels’ speed is reduced by reason of hull fouling caused by charterers’ trading orders.

When specific figures have been agreed to for the vessel in ballasted condition these shall be taken into consideration as shall agreed specifics for reduced or economical speed and consumption, when computations are made.

The mileage made good during qualifying periods shall be divided by the warranted speed and compared to the time actually spent. Any excess is to be treated as off-hire. If the word ‘about’ precedes the speed and consumption, same will be understood to mean ½ knot less in the speed and 5% more in the consumption, not be cumulative.

As to consumption, the recorded qualifying periods, as above shall be multiplied by the warranted consumption on the qualifying days and compared to the actual consumption. In case of any excess, the charterers are be to compensated by the owners for such excess in cost to the charterers calculated at the prices at the last port bunkers were supplied during the time charter, or those at delivery whichever applicable. Such amount may be deducted from hire.

The immediate financial consequences of a speed deficiency shall be set-off with any saving caused by under-consumption.
The computations shall be made sea passage by sea passage. The vessel’s speed and consumption shall be reviewed at the end of each twelve months, or other lesser period as appropriate.

If in respect of any such review period it is found that the vessel’s speed has fallen below the warranted speed, hire shall be reduced by an amount equivalent to the loss in time involved at the rate of hire. And if in respect of any review period it is found that the vessel’s consumption has exceeded the warranted consumption, the additional costs shall be borne by the owners.

The foregoing is without prejudice to any other claim(s) that a party may have on the other.

2. Withdrawal for late/non payment of hire

Except where otherwise specifically permitted in the provisions of the charter party, the charterers shall have no right to make arbitrary deductions from hire which shall remain payable punctually and regularly as stipulated therein. Nothing in the charter party shall, however, prejudice the charterers’ right to make any equitable set-off against a hire payment due provided that the calculation is reasonable, made bona fide, and that it is in respect of a claim arising directly out of their deprivation of the use of the vessel in whole or in part.

Except as provided herein, the owners shall have a right of permanent withdrawal of their vessel when payment of hire has not been received by their bankers by the due date by reason of oversight, negligence, errors or omissions of charterers or their bankers. In such cases prior to effecting a withdrawal of the vessel, the owners shall put the charterers on preliminary notice of their failure to pay hire on the due date, following which the charterers shall be given two clear banking days to remedy the default. Where the breach has been cured the payment shall be deemed to have been made punctually.

In respect to a payment of hire made in due time, but insufficient in amount, the owners shall be permitted a reasonable time to verify the correctness of a deduction. If, thereafter, there is found to be disagreement on the amount of the deduction, then the amount in dispute shall be placed in escrow by the charterers and the matter referred to immediate arbitration in accordance with the terms of the charter party’s arbitration clause. In that event there shall be no right of withdrawal.

Except as provided heretofore, withdrawal of the vessel may be made by the owners, which shall be without prejudice to any other claim they may otherwise have on the charterers.
3. Off-hire

Any period of time qualifying as off-hire under terms of the charter party shall be allowed to the charterers for any time lost in excess of three consecutive hours for each occurrence.

In addition to matters referred to as off-hire in the charter party, shall be included time lost to the charterers caused by interference by a legal, port of governmental authority, resulting in the charterers being deprived of their unfettered use of the vessel at any given time during the currency of the charter party, or in the vessel being prevented from leaving the jurisdiction contrary to charterers’ requirements.

4. Deviation

All periods of off-hire due to deviation shall run from the commencement of the loss of time to charterers, deviation or putting back, and shall continue until the vessel is again in a fully efficient state to resume her service from a position not less favourable to the charterers than that at which the loss of time, deviation or putting back occurred.

5. Legitimacy of the Last Voyage

In the absence of any specific provision in the time charter relating to redelivery and orders for the final voyage, the following shall apply:

Charterers undertake to arrange the vessel’s trading so as to permit redelivery within the period and permissible redelivery area as contained in the charter party. As soon as the charterers have arranged the final voyage they shall immediately so inform the owners giving a realistic estimated itinerary up to redelivery time. The owners shall notify the charterers within two working days thereafter as to whether they agree or disagree with charterers’ estimate. Should they disagree and consider the vessel will overlap the maximum period, they shall nonetheless allow the voyage to be undertaken at the time charter rate of the charter party without prejudice to their ultimate right to compensation for additional hire at the market rate should an overlap subsequently have proven to have occurred, and should the market rate be higher than the charter party rate of hire.
Synopsis

CHARTER-PARTIES

11 October 2010
NIFS2010/kms

A. IN GENERAL ON USING A SHIP AS A MEANS OF SECURING AN INCOME

Overview of the Owners’ options for commercially using a ship – listed in receding order according to the Owners’ influence upon the use and management of the ship.

- Transporting the Owners’ own cargo
  - Liner trade
    - (Tramp trade)
  - Voyage chartering ("normal")
  - Contracts of afreightment (V/C / COA)
  - Consecutive voyage charters
  - Time chartering
  - Bareboat chartering
  - Sale
B. VOYAGE CHARTERING

1. Situation
   - liner trade: Sending a parcel
   - voyage chartering: Pre-booking a taxi

2. NMC Chapter 14: Scope of application, freedom of contract etc.

2.1 Which agreements?
   - § 321, sec. 1: Chartering of ships including consecutive voyage chartering
   - § 321, sec. 2, no. 6: When chartering a part of a ship: The distinction between chapter 14 and chapter 13 seems – ultimately – to depend upon which transport documents are used.

2.2 Geographical scope of application
   - § 322, sec. 2: Applies to Inter-Nordic trade and to domestic trade within the Nordic countries.
   - § 322, sec. 4: Applies to other trades as well insofar as Nordic law is to be applied.

2.3 Freedom of contract

Starting point: § 322, sec. 1: Freedom of contract. Above scope of application etc. is thus to be seen as declaratory application.

Modifikation No. 1; § 322, sec. 2, in conjunction with § 347: Voyage chartering in domestic trade in the Nordic countries as well as inter-
Nordic trade is subject to the general rules on cargo claims set out in the NMC chapter 13, including the rules on time bar on cargo claims.

**Modification No. 2:** If bills of lading are issued

1) § 322, sec. 3: If the NMC chapter 13 is to be applied to the contract of carriage, it cannot validly be agreed that bills of lading should not be issued, see § 338

2) § 322, sec. 4: If bills of lading are issued, the rules on documentary liability for issuance of bills of lading apply, as do the general rules on cargo claims the moment the bill of lading is held by a third party.

3. How is the contract entered into

Brokers, see Gencon box 1, box 24 and clause 15.

Normal rules of formation of contracts apply.

4. The subject of the contract

The usage of a ship for a contract of carriage by sea from the port of loading to the port of discharge, carrying a certain cargo, within a certain time, against the payment of freight.

5. The ship

5.1 Which ship/the particulars

- Gencon cl. 1, box 5-6-7
- *frame description* (the ship’s a generic good, meaning that the Owner will have to deliver *such a ship* and that the loss of the vessel intended to perform the contract does not relieve the Owner of the obligation to present a ship)
- *vessel to be named* (the ship’s a generic good until a specific vessel is nominated)
- specific vessel (the ship’s a specific good). see § 323, sec. 1: The Owner can only fulfil the contract with this vessel, and if the vessel is lost due to an accident at sea the Owner is neither at duty nor at liberty to substitute the vessel with another vessel, see § 350.

- specific vessel with a substitution clause (the named ship – and then the named substitute are both specific goods) NB: Substitution is an option for the Owner, not an obligation. As a declaratory rule, a substitution clause may be used several times, see § 323, 1st sentence.

5.2 The properties of the ship

Seaworthy and cargo worthy

- § 339: § 262, sec. 2, apply as declaratory rules
- Warranty of seaworthiness under English law. The position under Scandinavian law???
- if the obligation to keep the ship seaworthy is not kept throughout the voyage, the charterer will have the remedies mentioned in § 349 jf. § 351
- NB. Gencon 1994, cl. 2, sec. 1: Cargo claims from the charterer are only accepted insofar as they are caused by the Owners or Managers own personal negligence in respect with maintaining the ship’s seaworthiness (board room errors)

6. Port of loading and port of discharge

6.1 Which ports

- both may be specified
- from the port of loading to a port of discharge in the charterer’s option (normally specified which ports are an option; see regarding the exercise of the option § 328, sec. 1).
- from the port of loading to a port of discharge in the Owner’s option
near-clause (if the ship may/can not discharge in the intended port, then a port as near thereto as possible. Declaratory "near-clause" in § 340).

6.2 Where in the port
- "port" or "berth" charter, will generally be specifically agreed upon. NMC § 328, sec. 1 regards port charters, whereas § 329, sec. 1, regards berth charters
- in a port charter the charterer must at a later stage (not too late, however) state the berth, see regarding the instructions regarding the berth in a port charter, § 329, sec. 1.
- Gencon box 10 og 11

6.3 The legal effects of the choice between a port and a berth charter

The general line of thought is that the Owner gets paid for – and hence assumes the responsibilities and risks connected to – getting the vessel to the place to which he has agreed in the charter-party. Meaning that if he has accepted a berth charter, he bears the risk of getting the ship all the way to the berth – thus he assumes the risk of congestion in the port. This is the traditional/anglo-american rule. The NMC has, however, accepted another rule as the default rule: The master may issue a NOR even if the vessel is not at berth; meaning that under Nordic law, all charters are now port charters.

7. The cargo
- Gencon box 12
- The Owner has a right to receive the full cargo. If not, the charterer must pay damages, see § 352, sec. 1, generally in the form of dead freight (thus, he will pay the full freight anyway)
- NB.: If the full cargo is not delivered the Owner/Master may provide a time limit within which the remaining cargo must
be delivered. If it is not, the Owner may cancel/terminate the charter-party. § 353, sec. 2.

- dangerous goods: $ 342: The Owner has the same remedies as in chapter 13. The charterer’s liability, however is slightly different: According to § 357 the charterer is only assumed liable; under chapter 13’s rules, the charterer has a strict liability for dangerous goods (the reason being that under a charter-party (more than in liner trade) the charterer is in many cases not carrying his own goods).

8. The time within which the voyage should be carried out

8.1 In general as regards the obligation to carry out the voyage within a certain time frame

- in the contract: Often: simply a lay-can, combined with a due-dispatch obligation to bring the ship quickly and safely to the port of discharge

- $ 339 and $ 262, sec. 1: Due dispatch-obligation is the default rule

- if the obligation is not kept, damages are due under §§ 349 and 351

8.2 Delay in delivering the ship

- spot prompt

- ahead (due diligence)
  - from “spot” to port of loading
  - finish present engagement and then proceed to port of loading (intermediate journey-due dispatch)
  - often: due dispatch, but no later than ...

- lay-can, § 348, sec. 1 (objective criteria)

- right of interpellation, § 348, sec. 2

- if cancelling: DAMAGES according to sec. $ 351 are due. Full damages – cannot be limited as this is not a cargo claim. (If the delay is after loading, it is a cargo claim, see § 347)
8.3 In particular regarding delay in loading or discharging

1) The freight is paid calculating quantity of goods*length of voyage. Thus, the Owner assumes the risk of delay. At the same time it is often the charterer, who decides where and how to load and discharge, wherefore a need to regulate the relation between the Owners and the charterers on this point is needed. The solution chosen is the rules on lay time and demurrage.

2) The parties assess in advance how long they assume loading and discharging will take. This time is lay time. The lay time is already paid for, as the freight is calculated so that is takes into account the time used for loading and discharging of the goods. Demurrage, on the other hand, is the extra time spent (due to congestion in the port, strike amongst the stevedores or just, generally, that things end up taking more time than they were supposed to). For such extra time demurrage must be paid. Demurrage is set damages, accruing continuously from the time when the lay time is spent to the time when the loading or discharging operation is finished - "Once on demurrage always on demurrage". The demurrage rate is set in the charter-party. It is a fixed amount per 24 hours/day etc., thus the actual loss is irrelevant. (Please note that sometimes "inverse demurrage" is agreed; so-called "despatch". The idea is that if the ship finishes before the set time, a bonus should be paid to the charterer. Normally, half the demurrage rate is agreed. However, the default rule is that despatch should not be paid, so it may only be claimed by the charterer if the parties have so agreed.)

3) The lay time will be stated in the charter-party. Often by using a stated time (e.g. 72 running hours) and certain
abbreviations (SHINC/SHEX) or additions (“weather permitting”, e.g.)

4) To trigger that the lay time should start to count, Notice of Readiness must be given. Often, this takes place pr. e-mail, and in general an oral NOR should never be given. The NOR can only be rendered if the ship is in the right place and ready to accept cargo. Furthermore, NOR should normally be given in normal office hours and generally a set amount of hours should pass from the NOR before the lay time actually starts to run. (So that the charterer may get stevedores etc. ready). And exception to this is pipelines where the lay time will normally start immediately. If it turns out that NOR has been given without the ship actually being ready (often because additional cleaning is needed or such-like), two options exist: Either that the time lost in necessary cleaning is deducted from the lay time (which seems to be presupposed in NMC § 333, sec. 2, 1st sentence) or that the whole NOR-procedure has to be repeated. The first option is the default rule.

5) The calculation of the lay time takes place by comparing e.g. a Laytime Statement with the actual clauses used.

6) Demurrage must be paid for all time spent in excess of the lay time, unless the excess is due to an incident for which the Owners are responsible, see § 333, sec. 2, 1st sentence. See examples of the calculation, below point II.

9. The freight

In general it should be noted that payment of freight and the carrying of goods are a quid pro quo. It is the paramount obligation upon the charterers, and if freight is not specified or agreed it may be a strong indication that no contract is entered into in the first place.
9.1 Freight risk

As a starting point the Owners must carry the cargo to the port of discharge, or he will not have earned the freight, see § 344, sec. 1.

A modification may be the "near-clause" or other clauses indicating that freight should be paid nonetheless, e.g. "cargo lost or not lost"

If the cargo is not delivered in full:

- because the vessel cannot (or did not) get to the port of discharge: Freight should be paid for the actual distance made good by the vessel, see § 341

- because the cargo is so damaged that it cannot be said to be delivered ("physically"): Only freight earned for the part actually delivered (does, however, not apply to goods that have perished due to "inherent vice" or negligence etc. on the part of the charterers). Please note: Under English law, the cargo must exist in a "business sense" if the freight is to be paid; thus in Asfar v. Blundell [1896] 1 QB 123 freight did not have to be paid for dates that had been in the rather polluted waters of the Thames and therefore could not be used for human consumption (for which they were intended). This applied even if they could still be used for the production of spirits. In Nordic law – maybe – otherwise. At least in Høeg Carrier, ND 1948.13 NH freight was earned for grain damaged by oil as the grain could still be used for fodder (however the consignee of the goods was Statens Kornforretning, who sold fodder themselves).

- Set off in cargo claims: Often agreed: Freight to be paid in full. This is also the default rule under English law, however in Nordic law a set off will often be allowed.
9.2 The freight debtor

9.2.1 In general

Owner → Charterer → Receiver/consignee

The starting point of the NMC is that the charterer remains liable for the freight, even if the ownership of the goods are transferred to the receiver/consignee who takes possession of the goods, see § 345, sec. 2. In the charter-parties, however, a cessor clause is generally included meaning that the Owner must 1) claim the freight from the consignee/receiver, 2) then, if unsuccessful, he must sell the goods at auction, and only 3) if that does not cover the freight, he may direct a claim as against the charterers.

9.2.2 In particular as regards the issuance of bills of lading

The Owner may direct a claim for freight against a good faith holder of a bill of lading if (and only if) this concurs with the contents and text of the same bill of lading, see hereto NMC § 325 and § 299, sec. 3.

- thus, if the B/L is issued prepaid there can be no claim as against the consignee (see Gencon cl. 4.b)
- however, if the bill of lading is issued freight collect the Owner may claim as against the consignee, see § 345, sec. 1 in conjunction with § 269. Please note that the Owner is obliged to seek payment of the freight primarily from the consignee if 1) there is a cessor clause in the B/L or 2) it is otherwise clear that not doing so will cause the charterer to suffer a loss. (Meaning that the owner must always demand the payment of freight before handing over the cargo if he knows that the consignee is insolvent.)
9.3 Lien on the cargo

If the charterer and/or consignee can or will not pay the freight the Owner has the right to retain his own performance of the contract and to detain the goods insofar as they are still in his possession. This applies as a general principle of background law both in the Nordic countries and in most other countries. Furthermore, the charter-parties always contain a lien clause, so the Owners’ right to detain the goods is also based in contract. Please note that the concept of a lien is not directly translatable into Nordic legal terminology. From a Danish point of view, however, it is something in between “tilbageholdsret” (the right of detention) and “håndpant”, (which may in some cases be translated as a pledge ...).

However: Remember that a third party holder of the bill of lading in good faith always can rely on the text of the bill of lading. Thus, if the bill of lading is issued prepaid the Owner has neither a right of retention nor a right of detention even if he has de facto not been paid.

9.4 Exercising the right of detention / lien on the cargo

Statutory right of detention/lien with expedient execution, NMC §§ 345, 69 and 270-273: Freight and other claims regarding the goods are vested with a maritime lien on the cargo, meaning that the goods may be stored on the account of the consignee/receiver, see § 271, and that they may be sold easily on private auction, see § 272.

10. Cargo claims under voyage charter-parties

10.1 The rules

- mandatory application of the rules on liability for cargo claims and the rules on the liability connected with goods transported under bills of lading, according to §§ 322, 347, 325 and 338
- in other situations very extensive disclaimers of liability will tend to apply, see eg. Gencon cl. 2. However, an increasing amount of charter-parties now apply a set of cargo claim rules ad modum the Hague Visby Rules.

10.2 Bills of lading issued under charter-parties – problems and solutions

10.2.1 The legal effect of the bill of lading in different relations
- the charterer holds the bill of lading: The bill of lading is a receipt for goods received and a prima-facie evidence as regards the kind, number, quantity and quality of the goods, as well as a prima-facie evidence of the contents of the transport contract, see § 299, sec. 1 and sec. 2.
- a third party in good faith holds the bill of lading: The bill of lading becomes an independent contract of carriage. The bill of lading is further conclusive evidence of the kind, number, quantity and quality of the goods, as well as conclusive evidence of the contents of the transport contract, see § 299, sec. 3. Evidence to the contrary of what is stated in the bill of lading (even if true) is not allowed. In a Scandinavian line of thought it might help to regard it so that the right to present evidence to the contrary is extinguished. This is the whole point of the bill of lading being a document of title and “the key to the cargo”.

10.2.2 Problems due to conflicting transport documentation of mandatory rules on liability for cargo claims
- Charter-party between the Owner and the charterer; however the goods to be delivered to a good faith holder of a bill of lading with different contractual provisions (e.g. a liner bill of lading instead of a tramp bill of lading)
- Charter-party and bill of lading in principle compatible, (tramp-K/M fx), but the relationship between the Owner and
the consignee is “caught” by mandatory application of different rules on cargo claims either due to the issuance of bills of lading (the Hague-Visby technique) ad modum NMC § 299 and §§ 275 ff, or due to provisions on geographical mandatory application irrespectively of the issuance of bills of lading, ad modum NMC § 322, sec. 2, and § 347.

10.2.3 How to solve the problem
- coordinate the contractual relationship (e.g. issue tramp bills of lading) to obtain a “back-to-back”-situation and/or
- recourse
  - according to statutory rules, see NMC § 338, which provides for recourse insofar as there is a difference in the contractual provisions,
  - contractual provisions regarding recourse, as in Baltime cl. 9: “Charterers to indemnify … “, and Gencon cl. 10, 2nd sentence,
  - or according to background law/default rules due to the division of labour and responsibilities, see arbitral ruling Jobst Oldendorf: Regres kan følge alene af den interne funktionsfordeling. (NB: Vestkyst 1, NH, “Gl. Gencon cl. 2 is a shield but not a sword).

II. Examples – lay time, demurrage, congestion etc.
Presuppose in the following:
- that the NMC is the default rule
- that normal working hours start at 0730 hours
- that the lunch break ends at 1230 hours
- that normal office hours are from 0830 hours until 1630 hours

Eksempel 1: Tanker v/c
Clause: Laytime 26 running hours, whether permitting
Facts:
Dr. Kristina Maria Siig  
Associate professor

- Monday 1630: The vessel arrives to the port of loading (pipeline "off port")
- Monday 1645: NOR is rendered to the shipper

Q1: When does the lay time start according to NMC § 332, sec. 4?

Facts:
- Tuesday: Bad weather conditions from 1300-1500 necessitate that loading is postponed
- Wednesday: 0900 hours one of the ship’s pipelines breaks. It is repaired but the work can not be resumed before 1100 hours
- Wednesday: 1900 hours: Loading is completed

Q2: According to the NMC, who pays for the two periods where the loading could not be carried out? (§ 333, sec. 2)

Q3: Is demurrage due and if so for how many hours?

Eksempel 2: Cargo of grain

Clauses:
- ship to proceed to dock A, berth 23, Port of Rotterdam
- laytime: 3 working days, SHEX, whether permitting

Facts:
- Thursday 0900: Vessel arrives at port. Dock A, berth 23 is occupied. The Master immediately issues a NOR to the shipper. Also informs the shipper that the berth is occupied
- Thursday 1400: The vessel is berthed at berth 23. The Master informs the shipper of this.

Q1: When does lay time start?
Facts:
- Friday 0730: It turns out that some of the cargo holds are not sufficiently clean due to dust etc. from the previous voyage which consisted of wood pulp. The shipper requests further cleaning.
- Friday 1300: The holds are clean and the loading resumes immediately.

Q2: When does lay time expire?

Eksempel 3, kullast
Clauser:
- port of loading: Rotterdam
- port of discharge: Aarhus
- laytime
  - loading: 2 working days, SHEX unless used
  - discharge: 2 working days, SHEX unless used

Facts:
- on departure from Rotterdam, only 1½ working day is used. Departure takes place on Tuesday afternoon.
- Wednesday 0900: The Master informs the shipper that the vessel is off the port of Aarhus ready to take in cargo. He requests that the shipper appoints a berth. This is done but it turns out that said berth is occupied. The Master consequently asks the shipper to appoint another berth and in the mean time the Master ankers up at a waiting berth.
- Wednesday 1400: The shipper informs the Master that no alternative berth may be found, so the vessel will have to wait until the original berth becomes available which will probably not take place until Thursday 1200 hours.
- Thursday 1100: Shifting to berth is commenced.
- Thursday 1200: The vessel is ready to discharge, however this is impossible due to lunch break amongst the stevedores.
- Thursday 1230: The lunch break ends and discharge is commenced immediately.

Q1: When does lay time commence?

Q2: When does lay time expire?

Q3: Is the vessel on demurrage, and if so for how long?

Q4: Assume that the charterer agrees with the stevedores that they work extra time Saturday morning from 0900 to 1400. Which effect (if any) would this have on the calculation of lay time and demurrage?

C. TIME CHARTERING

1. The properties and conditions of the vessel, NMC § 372, sec. 2 and 3

1.1 The agreed ship (almost always a named vessel, thus a specified good, see § 393)

1.2 In conditions as stated in the contract

- Baltime cl. 1, jf. boxes 5-12
- NYPE, l. 1-12

If not, remedies ad modum the Sales Act, see NMC §§ 376 and 377, 2nd sentence. (Meaning cancellation, compensation or pro rata reduction of hire depending on the circumstances).

The general rules of interpretation of contracts decide whether a certain feature/property is guaranteed or just stated according to “best knowledge” (however, remember, under English law: Warranty of sea worthiness).
Apart from the features/qualities specifically stated the vessel must also be sea worthy and cargo worthy according to the general rules on this. If not, the charterer does not have to accept the vessel. The Owner may remedy the defects and present the ship again, as long as lay/can is not exceeded, if not the charterer may opt to terminate the contract.

1.3 In particular regarding speed deficiencies:

   Normally the speed will be stated using the abbreviation “abt.”. According to Court and Arbitration practice, “abt.” allows for a leeway of 0.5 knots. Also note whether it is state that the vessel is “capable of” (as in Baltimes preamble line 12 and NYPE lines 9-10), or whether it states “at an average speed of no less than” (Shelltime 4). According to case law, if the speed deficiency is not so alarming that it provides for cancelling the charter-party (of if the charterer does not wish to use this option) the pro rata reduction may be calculated thus:

1) The loss of time is calculated thus:

\[
\frac{(\text{contractual speed} - \text{actual speed})}{\text{contractual speed}} \times \text{time at sea}
\]

2) The agreed freight rate is then multiplied with the loss of time.

Calculate the pro rata reduction in these examples:

Gas carrier, 3500 m$^3$ capacity
Agreed speed: Average speed abt. 16,5 knots
Actual speed: Average speed 14,5 knots
The vessel has been on the c/p for 150 days
Freight rate: USD 230.000/30 days

Cape size bulk carrier, 172.000 ts deadweight
Agreed: Guaranteed average speed 17 knots
Actual speed: Average speed 14,5 knots
The vessel has been on the c/p from 0101 2001 to (incl.) 3112 2002
Freight rate: USD 39500/day

1.4 In particular on over-consumption of bunkers: The pro rata reduction is calculated as the precise costs of the extra consumption (and not as an estimated lump sum). Please note that a claim for speed deficiency will often be met with a set off for less used bunkers from the Owners.

2. Delivery and redelivery of the vessel, § 372, sec. 1
2.1 When?
- Balttime cl. 1, and cl. 7, incl. boxes 14 and 16
- NYPE l. 14-15, and l. 91 - 93
2.2 Where? NMC § 388 and 389
- Balttime box 21 and cl. 7
- NYPE cl. 4, in particular l. 53-55
2.3 In what condition?
- on-hire and off-hire surveys stipulated in NMC § 373, § 374, sec. 2 and § 388.
- Balttime cl. 7, l. 109-110
- NYPE cl. 4, l. 54

3. Division of competence, risk and payment – see grid in the reverse
Important in relation to
- who bears a particular cost, not specifically mentioned in the c/p?
- when the vessel is off-hire
- if a claim for recourse may be successful

4. Payment of freight
NYPE cl. 5, "semi-monthly in advance". If payment is not made when due, the Owner may withdraw the vessel immediately. Baltime cl. 6: Per 30 days in advance. The Owner also in this case permitted to withdraw the vessel without further ado. NMC § 390: Per 30 days in advance. Please note that the Owner in both NYPE and Baltime (and the NMC’s default rule) has a claim for full freight without deductions. (NB: NYPE 93 cl. 17, l. 234 and 235).

In the NMC: Full freight should as a starting point be paid, however the Owner shall provide security for any claims that may be disputed. De facto, the charterer often sets off off hire periods form the previous month in the next month’s payment. This may lead to disputes, particularly in a rising market, as the Owner will use this as a reason/excuse to withdraw the vessel.

NMC § 391: Anti technicality clause: 72 hours “days of grace”. See likewise NYPE 93, cl. II.

5. Off-hire

Please note the different wordings:
NMC § 392 – “is lost”
Baltime cl. 11 – “any time lost”, > 24 hours, “service immediately required”
NYPE cl. 5: “the time thereby lost”, NYPE 93 cl. 17 however: “same or equidistant position from the destination and the voyage resumed therefrom”.

See case in the collection of materials, “Prosperity”

6. Cargo claims ...

6.1 In the relation between the Owner and the charterer
- Baltime: Cl. 13, 1. led and cl. 9, 3rd sentence: Basically, no cargo claims may be directed as against the Owners
- NYPE 46???
- NYPE 93 cl. 27: According to the “Interclub agreement”
- NMC: § 383, sec. 1

6.2 Between the Owner and a third party
- Baltime: Master to issue bills of lading, but “charterers to indemnify”, meaning that the Owner will be liable as towards the third party, but will be reimbursed by the charterer, see cl. 9, 3rd sentence.
- NYPE cl. 8: “to sign bills of lading as presented”.
- NYPE 93 cl. 30: same as Baltime
- NMC § 382, sec. 1, 1st sentence, § 383, sec. 2 and § 325

6.3 Recourse: NMC § 382, sec. 1, 2nd sentence in conjunction with “indemnify-provisions” of the c/p. (See above regarding voyage charter parties).
<table>
<thead>
<tr>
<th>Owners</th>
<th>Charterers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Nautical management</strong> Decides the course, speed (normally), the route etc. between the ports the charterer directs. Master has a right (and duty) to reject irresponsible or dangerous routes/ports or other requests.</td>
<td><strong>Commercial management:</strong> § 378, sec. 1: The charterer decides the voyages, within the trade/time-limits agreed upon, with cargoes according to the contract, and generally decides which contracts of carriage he wishes to employ the ship in.</td>
</tr>
<tr>
<td><em>Baltime cl. 9, NYPE cl. 8-11, NYPE/NYPE 93, cl. 20 explicitly</em></td>
<td>Charterer also decides which ports and berths to be called at/used. Has, however, a “nautical obligation” to assure a safe port (“always lie safely afloat”), see NMC § 385, sec. 2 (charterer presumed liable for grounding etc.).</td>
</tr>
<tr>
<td>The Owner shall, acc. to § 378, perform the voyages that are according to the c/p. However, never voyages that are unsafe to the vessel or the crew, or which for other reasons might entail excessive “bother”. See also NMC § 979, sec. 3 regarding dangerous goods.</td>
<td><em>Baltime cl. 2, 1.5 NYPE, preamble.</em></td>
</tr>
<tr>
<td>War: The Owner (Master) can decide that the vessel should leave the area, NMC § 394.</td>
<td></td>
</tr>
<tr>
<td><em>Baltime cl. 21; not directly stated in NYPE, but “safely afloat” in cl. 6. Normally a rider may be attached</em></td>
<td><strong>Hires</strong> stevedores, port workers/agents etc. and is in general responsible for loading, storing and discharging of cargo (with necessary help from the crew), see NMC § 321, sec. 1.</td>
</tr>
<tr>
<td>Crew the vessel and pays the regular salaries to the crew.</td>
<td><strong>Betaler</strong> according to § 387, the expenses flowing from the orders he gives to use the ship in a particular way, including in particular:</td>
</tr>
<tr>
<td><em>Baltime cl. 3, NYPE cl 1</em></td>
<td>- bunkers, § 380</td>
</tr>
<tr>
<td>Pays the overhead expenses (</td>
<td>- water for engine etc. § 380</td>
</tr>
<tr>
<td>- interest and instalments on</td>
<td>- port and canal fees etc.</td>
</tr>
<tr>
<td>ship’s mortgages or other finance</td>
<td>- extra insurance incl. war-risk, § 394, sec. 2, 2nd sentence.</td>
</tr>
<tr>
<td>programme for the ship</td>
<td></td>
</tr>
<tr>
<td>- insurance</td>
<td></td>
</tr>
<tr>
<td>- maintenance</td>
<td></td>
</tr>
<tr>
<td>- food, stores, water for cleaning etc.</td>
<td></td>
</tr>
<tr>
<td>Must in general ensure that the vessel constantly is equipped and maintained according to the charter-party.</td>
<td></td>
</tr>
<tr>
<td><em>Baltime cl. 3, NYPE cl 1</em></td>
<td></td>
</tr>
</tbody>
</table>

*Baltime cl. 4, NYPE cl.2*