Synopsis

CHARTER-PARTIES

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
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)
  o from “spot” to port of loading
  o finish present engagement and then proceed to port
    of loading (intermediate journey-due dispatch)
  o 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 \times \text{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”. (Recourse may follow from the internal division of responsibility) (NB: Vestkyst 1, NH, “Gl. Gencon cl. 2 is a shield but not a sword – refers to the old version of Gencon. Now Gencon is both a shield and 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 and ends at 15.30 hours
- that the lunch break ends at 1230 hours
- that normal office hours are from 0830 hours until 1630 hours
Eksemple 1: Tanker v/c
Clause: Laytime 26 running hours, weather permitting
Facts:
- Monday 1630: The vessel arrives to the port of loading (pipeline “off port”)
- Monday 1645: NOR is rendered to the shipper

Q 1: 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?

Eksemple 2: Cargo of grain
Clauses:
- ship to proceed to dock A, berth 23, Port of Rotterdam
- laytime: 3 working days, SHEX, weather 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.

Q 1: 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?

Example 3, Cargo of coal

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 meantime the Master anchors 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.
- Discharging ends at Monday 1400 hours.

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:

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

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

Calculate the pro rata reduction in these examples:

**Gas carrier, 3500 m³ 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?
   - Baltime 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
   - Baltime 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.
   - Baltime 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. 11.

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
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>
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<tr>
<th>Owners</th>
<th>Charterers</th>
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| **Nautical management** | 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.  
*Baltime cl. 9, NYPE cl. 8-11, NYPE/NYPE 93, cl. 20 explicitly*  
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.  
War: The Owner (Master) can decide that the vessel should leave the area, NMC § 394.  
*Baltime cl. 21, not directly stated in NYPE, but “safely afloat” in cl. 6. Normally a rider may be attached* | 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.  
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.).  
*Baltime cl. 2, 1,5 NYPE, preamble, 118-35* |
| **Crews** | Pays the vessel and pays the regular salaries to the crew.  
*Baltime cl. 3, NYPE cl 1* | Hires 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.  
*Baltime cl. 4, NYPE cl.2* |
| **Pays the overhead expenses (** |  
- interest and instalments on ship’s mortgages or other finance programme for the ship  
- insurance  
- maintenance  
- food, stores, water for cleaning etc.  
Must in general ensure that the vessel constantly is equipped and maintained according to the charter-party.  
*Baltime cl. 3, NYPE cl 1** | **Betaler** according to § 387, the expenses flowing from the orders he gives to use the ship in a particular way, including in particular:  
- bunkers, § 380  
- water for engine etc. § 380  
- port and canal fees etc.  
- extra insurance incl. war-risk, § 394, sec. 2;  
- overtime in port, § 381, sec. 2, 2nd sentence.  
*Baltime cl. 4, 1,7 NYPE cl.2* |