



WEDNESDAY 22nd APRIL 2015 – AFTERNOON

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. A director of your company has asked you to explain the main differences between the current international conventions applicable to carriage of goods by sea. She has also enquired as to what you can tell her about a new set of rules called 'The Rotterdam Rules' which appear to be so popular in discussions.

In reply to this request, discuss the differences in the current cargo conventions, putting forward any arguments in support of or against either set(s) of rules, and provide her with the basic intentions for the adoption of the Rotterdam Rules.

2. A shipbroker has had his authority to conclude contracts in the dry cargo market withdrawn by the Principal. He is still permitted to fix crude oil contracts. Despite these instructions he fixes a contract for dry cargo on behalf of his Owners. Discuss in detail his actions and the possible course of actions open to the Owner.
3. Using examples of your own choice and case law, define **innominate or intermediate** terms and discuss their importance in the law of contract.
4. During the discharge of cargo the main engines of a vessel break down. Main engine repairs are carried out whilst unloading continues at the normal rate. Payment of the time charter hire is claimed by the vessel Owner but the Charterers refuse to pay, claiming the ship is off-hire due to her main engine repairs.

Consider and discuss the merits of the Charterers' claim.

PLEASE TURN OVER

5. A car manufacturer has 100 cars loaded on a ship sailing from London to New York. According to the contract of carriage, evidenced by the bill of lading, the ship is to proceed directly to New York, with no intermediate ports of call.

Following the ship's departure from London, the vessel calls at Southampton to pick up some mail the shipowners wish to deliver to New York. Consequently, the vessel stops for an hour to pick up the mail. A day before arriving at New York, the ship sinks due to the bad weather prevailing at the time, with total loss of cargo.

Advise the shipowners in relation to their liability for the loss of the cargo. Use case law to support your answer.

6. Under the law of general average explain the importance of the following:
 - a. The danger must not have arisen through the fault of the party/interest claiming contribution.
 - b. The 'Amended Jason Clause' should be inserted into bills of lading for voyages to the USA.
7. Discuss and explain, using your own examples, the use of **liens** in shipping.
8. Answer **both** parts of the questions:
 - a. It is usually said that a valid Notice of Readiness 'starts the laytime clock'. Would it be reasonable to conclude that in the absence of a valid Notice of Readiness laytime cannot start and shipowners could not therefore be in a position to earn any demurrage?
 - b. Analyse the issues relating to the question of when a ship is considered to be an 'arrived ship'.