

## TANKER LAYTIME

### Learning objectives

This course focuses on voyage chartering of tankers and in particular with laytime and demurrage from a commercial point of view. Solid understanding of the contractual foundation of tanker chartering and the knowledge of accurate calculation of laytime and demurrage will certainly help any business to avoid delays and maximise profit.

This course first looks into tankers and tanker markets and then comments on the fundamental principles which underpin tanker laytime and demurrage as well as concepts that are unique to tanker voyage charters. By giving examples of what could go wrong with tanker chartering and how the courts solved these problems, lessons can be learned and applied to prevent similar problems from happening.

### Course content

#### **Module 1: Tankers and tanker markets**

This section first looks at the types of tankers and their purposes. Tankers that carry crude oil or petroleum products are initially dealt with and tankers that carry other bulk liquids such as vegetable oils, chemicals and liquefied gas are also explained. It continues to explain the markets in which the tankers operate, and the players involved. This section also introduces voyage estimating and Worldscale which is unique to tanker sector.

#### **Module 2: Common tanker voyage charter parties**

This section looks generally at some voyage charter parties for tankers and in particular at clauses that deal with laytime and demurrage. We will take a close look at TANKERVOY 87. It is difficult to carry out a comparison of all tanker voyage charter parties but clauses from other charter parties such as ASBATANKVOY and SHELLVOY 6 are introduced and explained.

#### **Module 3: Laytime and Notice of Readiness (NOR)**

Laytime is the period of time agreed between the shipowner and charterer during which the shipowner will make and keep the ship available for loading or discharging without additional payment. This section looks at when laytime starts to count against a charterer. Laytime cannot start unless certain conditions are met and these conditions will be discussed in detail. Special attention is given to discuss the readiness of the ship and the tendering of NOR.

#### **Module 4: Counting laytime and exceptions to laytime**

Laytime can be considered as a “quantity of time” that the charterer has paid for in the freight. Once it commences, the time begins to run out like sand in an hour-glass. The quantity of time continues to run out or be used unless some event occurs or situation develops that causes the reduction of time to stop for a short period. This section comments on what these events or situations are that can be considered as the exception to laytime counting.

#### **Module 5: Demurrage**

Time is important to a shipowner because when he calculates freight he takes into account the time the ship will be at the disposal of the charterer. If the agreed time for loading and discharging is exceeded, the charterer must compensate the shipowner with demurrage. If the charterer releases the ship to the shipowner earlier than agreed, then despatch applies although it is not usual to find a despatch clause in tanker voyage charter parties. We shall look closely at demurrage in this section.

#### **Module 6: General damages and damages for detention**

Demurrage becomes payable once laytime comes to an end. In this section we will analyse claims for general damages which may be related to cargo handling and show why there can be confusion between these claims for damages and claims for demurrage. We shall analyse situations where general damages are allowed for claims outside those related only to an excessive detention and later with damages for detention as a separate head of compensation.

#### **Module 7: Pumping, COW, stripping and IGS clauses**

Many demurrage disputes for crude oil shipments involve disagreements over vessels' pumping performances. Arguments about Crude Oil Washing (COW), tank stripping, inadequate pumping logs, the absence of letters of protest and unreasonable deductions of all time in excess of 24 hours pumping are very familiar. These tanker specific issues are discussed in this section with reference to recent cases.

#### **Module 8: Demurrage case studies (optional)**

This is an optional section which contains five key cases some heard in the courts and some heard by arbitrators to emphasize the significance of time bar and document clauses.

#### **Module 9: Dispute resolution**

Tanker voyage charter parties often contain clauses which specify how the disputes should be resolved (choice of method: litigation, arbitration or mediation), where they should be resolved (choice of exclusive jurisdiction) and what law should apply (choice of law). This section comments on the advantage and disadvantages of various dispute resolutions.

**Training language:** English

**Who should attend:**

Attendees should have already obtained a basic knowledge of the maritime sector through their educational background and/or daily work or have completed BIMCO's 'Introduction to Shipping' course.

**Training methods:**

This online course is based the following key elements: interactive textbook (main learning materials), quizzes, resources section and final test.

**Assessment and certificates**

At the end of the course, there is an online final assessment which will be graded by the system. It allows multiple attempts and pass grade is 50% or higher. Once you passed the assessment, a BIMCO Certificate of Completion will be issued and e-mailed to you.