

Day 1

09:00-09:45 Opening remarks and introduction

Peter Grube, BIMCO

09:45-10:45 Session 1

Matt Hannaford & Simon Ward

Broker versus Lawyer:

The S&P broker plays a key role as the intermediary when a ship sale is being negotiated and the MOA is being prepared. No less important are the parties' lawyers whose job it is to assess and advise on the legal implications of the deal. At first sight, there may appear to be a natural tension between these two roles but, in reality, truly successful outcomes are only possible when the broker appreciates the legal context, and the lawyer appreciates the need for pragmatic problem solving and commercial realities. In this first session, Matt and Simon will lay out how they see their roles, and how they each see themselves fit into the S&P process.

10:45-11:00 Break

11:00-12:00. Session 2:

Matt Hannaford & Simon Ward

Using a standard form to put the S&P deal together

The process of S&P contains numerous moving parts. To control the process, the industry will use an internationally recognised standard form but, almost invariably, this will need to be amended to reflect the deal at hand. This session will focus on the characteristics of the various forms, practically and legally and provide insights into how they are structured, how to amend them and the circumstances when it may be advisable to include additional rider clauses.

11:00-12:00. Session 3:

Matt Hannaford & Simon Ward

Market, pricing, and initial inspection

Essentially, the price of a vessel is what a buyer is able and prepared to pay and the seller is prepared to accept. There are several valuation methods, including the Market Approach, the Replacement Cost, and Income Approach. Each has its strengths and weaknesses but in a highly volatile freight market, it is not an exact science where a vessel's current and future value can be put on a formula to provide an exact answer. In this session, Simon and Matt will consider the relative merits of these valuation methodologies and discuss the practical issues and legal implications that arise in connection with the initial physical and documentary inspection of a vessel.

12:00-13:00 Lunch

13:00-14:00. Session 4:

Matt Hannaford & Simon Ward

The process!

To understand the S&P process it can usefully be separated into three distinct stages: (1) the inspection and due diligence stage, (2) negotiation and contract stage and (3) the delivery and handover. By looking at these stages in sequence and in their totality, in this session Simon and Matt will highlight and analyse the critical issues that arise at each point in the process.

14:00-15:00. Session 5:

Matt Hannaford & Simon Ward

"It is all about the Money!"

What is included in the purchase price? What is excluded from it? Who should hold the deposit and on what terms? How should the balance of the purchase price be paid as well as additional amounts for extras like the bunkers and oils? What is the impact where the buyer is financing the purchase through a loan? In this session Simon and Matt explore the monetary aspects of the S&P process. This session will also include a critical review of the new BIMCO "Standard Deposit Escrow Agreement for Ship Sale and Purchase".

15:00-15:30 Break

15:30-17:00. Case study in groups

Day 2

09:00-10:00 Session 6:

Matt Hannaford & Simon Ward

Underwater inspection and drydocking

The underwater inspection and drydocking regime is a complex exercise which must address the allocation of cost and liability in a number of different scenarios. In this session Simon will unravel these complexities and consider what practical steps the parties can take to anticipate the risks and manage the process whilst Matt will look at the different scenarios from the legal perspective.

10:00-11:00 Session 7:

Matt Hannaford & Simon Ward

Condition on delivery

Terms such as “as is where is” and “as she was at the time of inspection” are widely used but often misunderstood. Issues relating to the physical condition of the vessel at delivery is by far the most common cause for parties to find themselves in arbitration. In this session Simon and Matt will analyse the various components that are relevant to the vessel being in deliverable condition, the practical steps that should be taken to ensure compliance and the legal impact of express and implied terms and of representations made by the Seller to the Buyer in the MoA and even before the contract is entered into.

11:00-11:15 Break

11:15-12:15 Session 8

Matt Hannaford & Simon Ward

Delivering the vessel free of encumbrances and maritime liens

Upon delivery the Sellers warrant that vessel is free from encumbrances and undertake to indemnify the Buyers against all consequences of claims made against the Vessel which were incurred prior to the time of delivery. In this session Simon and Matt will explain the numerous encumbrances that can apply and discuss the legal and practical implications of the seller’s indemnity

12:15-13:15 Lunch

13:15-14:15 Session 9

Matt Hannaford & Simon Ward

Force Majeure, frustration, default, and COVID-19.

In recent times the COVID-19 pandemic has had a profound effect on global shipping and the ability of parties to perform their respective obligations. As with many other types of shipping transaction this has brought concepts such as force majeure and frustration into sharp focus. In this session Simon and Matt will discuss how parties to an S&P contract can practically seek to address the allocation of risk for events beyond their control as well as examine the English law principles which apply.

14:15-15:45 Session 10

Matt Hannaford & Simon Ward

Broker AND Lawyer!

Q&A combined with S&P anecdotes – (or the bits that never make it into handbooks) Between them, Simon and Matt have many years of experience in putting together S&P deals. Much of the knowledge and experience has been earned the hard way. Handbooks can be useful as an orientation on the law and practicalities, but true expertise is acquired by doing it every day. In this final session, Simon and Matt will share their experiences during an open Q&A session on the complexities of S&P work.

15:45-16:00 Break

16:00-17:00 Session 11

Matt Hannaford, Simon Ward and Grant Hunter, BIMCO

Presentation on the new BIMCO standard Memorandum of Agreement (MOA) for the sale and purchase of ships

In line with BIMCO’s strategy to provide contracts for all sectors of the shipping industry, BIMCO is in the final stages of drafting the new standard Memorandum of Agreement (MOA) for the sale and purchase of ships. In a clear sign of industry support for BIMCO’s initiative to develop a new ship sale and purchase agreement, the organisation received over 800 individual comments on its consultation draft, which will help shape the final version of the agreement. The new MOA takes an innovative approach with captive clauses that spell out in plain English what is being agreed between the parties. It comes in BIMCO’s well-known box layout style with the main terms set out in the boxes of Part I, and the standard terms and conditions in Part II.

The clauses follow the sequence of events as they play out in practice. Three annexes accompany the new contract providing for lists of items that are included or excluded from the sale, and documents to be handed over at delivery by the sellers and buyers. The structure of the new form makes it easy to navigate and simplicity has been key for the drafting team.



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