



## Ship Chartering, Lay time & Demurrage Masterclass

Website: [www.btsconsultant.com](http://www.btsconsultant.com)

Email: [info@btsconsultant.com](mailto:info@btsconsultant.com)

Telephone: 00971-2-6446633

# Ship Chartering, Lay time & Demurrage Masterclass

## Resolution of Commercial & Legal Complexities

### Introduction:

Master the A to Z of Chartering Contracts, Lay time and Demurrage. The shipping adventure, sometimes called the carriage of goods by sea involves several stages from the loading voyage, with the vessel sailing in ballast to the loading port, the loading operation and then the carrying voyage until the unloading or discharging of the cargo. The ship-owners and charterer roles and responsibilities in every stage and the inter-play between them and how it pans out during the course of a voyage will determine the success or failure of that voyage. It is important to understand contractual provisions in a charter party and negotiate the terms in order to avoid pitfalls in chartering of the ships and to provide for the calculating of lay time and demurrage, which will invariably affect all the parties' bottom line.

This 5-day Ship chartering, Lay time & Demurrage Masterclass workshop will give participants a comprehensive understanding of the essential aspects of chartering. This BTS training course will enable participants to better negotiate charter parties, have insight to make strategic decisions on chartering and to be at an advantage when negotiating chartering contracts. The knowledge and expertise gained from this workshop will enable the participants to return to work with many new strategies to apply in practice.

### TRAINING OBJECTIVES:

**Attendance on BTS's Ship Chartering, lay time & Demurrage Masterclass training course helps participants to capitalize on the expert knowledge to gain maximum value on these vital issues:**

- **Attain** a comprehensive and in-depth knowledge of ship charter contracts
- **Recognize** the differences between the many type of charter parties
- **Understand** the jargon and abbreviations
- **Appreciate** the rights and obligations of Charterers and Owners
- **Avoiding** pitfalls in negotiating chartering contracts
- **Manage & Mitigate** the risks involved in chartering of vessels

## **WHO SHOULD ATTEND?**

The Ship Chartering, Lay time & Demurrage Masterclass training course is highly recommended for new entrants to the shipping industry, staff in liner shipping companies, chartering and trading companies. It is particularly useful for staff involved in day-to-day shipping operations or administration such as:

- Contract Professionals / Negotiators
- Procurement Personnel
- Chartering Personnel
- Legal Advisors / Personnel
- Freight Forwarders
- Shipping Agents
- Marine Insurers
- Legal Advisors
- Finance

## **TRAINING METHODOLOGY:**

The Ship Chartering, Lay time & Demurrage Masterclass training course will combine presentations with instructor-guided interactive discussions between participants relating to their individual workplace. Practical exercises, video material and case studies aiming at stimulating these discussions and providing maximum benefit to the participants will support the training.

## TRAINING SUMMARY:

This BTS training course on Ship Chartering, Lay time & Demurrage Masterclass aims to enable participants to gain vital and in-depth knowledge in this area covering all the major aspects and gives them valuable key insights into the different aspects of chartering contracts which is the backbone of the shipping industry and help participants to avoid risks that are inherent in chartering contracts in a timely manner.

The training course is designed to provide an intensive in-depth study of Chartering Contracts, Lay time and Demurrage. Participants will also have the opportunity to learn updates on the recent developments in shipping law and practice affecting chartering contracts by reviewing case studies and case law.

## TRAINING OUTLINE:

### Day 1: Introduction to Ship Chartering, Lay time & Demurrage

- The basic principles of chartering
- Different types of chartering: *time, voyage and bareboat*
- Understanding Ship owners and Charterers roles, rights and obligations
- Common Contract & Commercial terms of charter parties
- Examples of charter parties used in different trades
- Understanding shipping trade “*jargon*”
- Understand what is lay time, demurrage and dispatch
- Case Studies Reviewed
- Role play - *Negotiating a Voyage Charter Party*

### Day 2: Defining lay time

- Legal and operational issue: *the lay time*
- All possibilities and remedies undertaken
- The types of lay time
- The complications that may occur in the commencement of lay time

- What can be considered as an exception for lay time commencement
- Review of recent Case law

### **Day 3: Calculating lay time**

- How to interpret “*lay time Definitions 2013*” and charter party clauses
- The commencement of lay time
- How to assess the duration of lay time
- The cessation of lay time
- How to estimate the demurrage / dispatch earned
- How to recognize fundamental differences between dry cargo and tanker lay time
- How to make a lay time calculation of multiple charters
- Reviewing and analyzing case studies

### **Day 4: Defining Demurrage, Detention and Dispatch**

- The fundamental contract law relating to demurrage, damages of detention, dispatch and dead freight
- How to determine the rate of demurrage in dry cargo and liquid cargo trades
- The liability of charterers for demurrage
- How to assess the termination of demurrage periods
- How to determine the rate of dispatch in dry cargo trades
- The responsibility of the charterer to load full and complete cargo
- The effect of dead freight on demurrage
- The content and rationale of past cases of English Common Law
- How to estimate the demurrage / dispatch earned
- Practical differences in the dispatch calculation
- Practical differences between normal, reversible and average lay time

## Day 5: Calculating Demurrage

- How to define lay time and demurrage
- How to perform demurrage calculation both for dry and wet charters
- Consequence of incorrect choice of wording in drafting charter party clauses regarding demurrage
- The importance of diversified interpretation of terms agreed
- The differentiation in claims resulting from such interpretation
- Analyzing charter party clauses and documents required for calculations