

**Circular Ref: 2017/0008****Date: 16 June 2017**

## **Load port and Discharge Port disputes**

In a recent arbitration in *London*, (2017) 979 *LMLN* 4, the subject vessel was chartered on an amended Stemmor 83 form of charterparty for the carriage of a cargo of 20,000 mt calcined petcoke from Port Arthur, USA, to Matanzas, Venezuela. The various disputes arose under the charter. The owners claimed reimbursement of additional load port expenses of dockage and security guards amounting to US\$34,352.60. They also claimed remuneration for performing extra contractual services amounting to US\$156,231.45, alternatively damages at the discharge port while waiting an anchorage while charterers were deciding the alternate discharge port.

At the load port, the charterers had the dispute with the shippers and they had asked the Owners to stop the loading of the cargo. The arbitrators decided that the Charterers had the right to use the laytime as they see fit. Since during the laytime such expenses are borne by Owners, they were to be borne by the Owners in this case as well. However, and fortunately, the Owners' legal consultant has prepared the case well, where they successfully proved that during the phone conversation, the Charterers promised the Owners that they would bear such expenses. In light of this, the Owners won the case.

At the discharge port, while charterers decided the actual place of discharge, on evidence it was found the vessel was not anchored at the customary anchorage. Therefore, the Owners were entitled to all the damages and not demurrage. The bunkers that were consumed during the waiting period were also on account of Charterers. The arbitrators did their own calculation to arrive at the damages per day that were applicable in such circumstances and rejected the Owners and the Charterers calculations.

FDD department based in Shanghai advice to the clients of Andrew Liu are as follows:

- (a) Keep a detailed record of telecon.
- (b) Please do not misrepresent or give false hope to the opponents, as it may back- fire. During cross-examination, all lies, misrepresentations come out in open easily as many English barristers are expert in finding the truth.
- (c) FDD office in Shanghai remains available to guide the clients at all times.

Source of Information: Andrew Liu & Co., Ltd [www.andrewliu.com.hk](http://www.andrewliu.com.hk)