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New BIMCO SALEFORM – SHIP SALE 22 (Pre-purchase inspection regime)

In the context of ship sale and purchase, there were three forms in existence as recently as 2022 – *Norwegian SALEFORM 2012*, *NIPPONSALE 1999* and *Singapore Ship Sale form 2011*. There is now a new form in the market, drafted by **BIMCO**, **SHIPSALE 22**, and it has been in circulation from April 2022.

All the previous ship sale and purchase forms do not differ in relation to *Vessel inspection clause*. This clause is very important for Buyers.

Buyers usually appoint marine surveyors to guide them before they would make any decision as to the purchase of the Vessel. Sellers would usually try to limit pre-purchase inspections that could include providing maintenance records, classification society records, deck and engine records and so forth. Ultimately, it will depend on what the *Vessel inspection clause* in these forms allows such potential Buyers.

It is our view that SHIPSALE 22 is also a very seller friendly form and does not allow inspection of continuous synopsis records, taking photographs, maintenance records, without opening up has been clarified in this form and accordingly no testing of machinery or equipment is allowed. Singapore Ship Sale form 2011 remains in our view the most Buyers' friendly form in relation to the pre-purchase inspection clauses, where maintenance records, inspecting available ballast spaces and photographs are allowed.

FDD Department of ALCO advice to Andrew Liu's clients is:

- a) Because of severe limitations involved in pre-purchase inspections, the Buyers of vessels must spend considerable time in inspecting vessels after buying the vessel to avoid disputes with charterers.
- b) FDD department has assisted in providing advice, arranging survey, even traveling urgently on behalf of clients to resolve issues in relation to pre-purchase inspections.
- c) FDD department remains open 24 x 7 to seek urgent advice on disputes, pre-empting disputes, conducting small claim arbitration and so forth.

Source of Information: Andrew Liu & Co., Ltd www.andrewliu.com.hk