

Circular From: ALCO 2026/0022

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Commencement of Cargo operations will not cure invalid NOR! – New case should be noted by all urgently

In a very new case, *Trans Trade RK V Sebat Shipping and Trading Company [The Sebat]* [2026] EWHC 950 (Comm), now clearly points that if a Master tenders an invalid Notice of Readiness (“NOR”), the Owners cannot rely on silence of the Charterers to save their demurrage claim. After this case, the Owners must now prove that the Charterers knew that it was invalid NOR and thereafter the Charterers elected to waive its invalidity. Consequently, the laytime will not commence even if the cargo operations commence.

It is important to appreciate after this case law that if the Charterers do not know that the NOR is invalid, how can they then elect to waive it. Accordingly, there is no concept of deemed waiver of invalid NOR after this case in case of cargo operations start.

How does this case differ from the famous case of *Glencore Grain Ltd v Flacker Shipping Ltd (The Happy Day)* [2002] 2 All E.R. (Comm.) 896, where the commencement of loading operations will commence the laytime in case the NOR was invalid

FDD department has done an analysis of Key legal differences:

Issues	Case of Happy Day	Case of Sebat (new case)
Effect of Commencement of Cargo Operations vis-à-vis Commencement	It is often understood that cargo operations will start on laytime anyway. Now	Invalid NOR will not become alive just because cargo operations

of laytime	this thinking should be dead.	commence.
Were charterers aware of invalidity of the tendered NOR?	In this case the Charterers were aware that invalid NOR has been tendered.	In this case, the charterers had no knowledge that NOR was invalid when invalid NOR was tendered.
Legal concept of Waiver	Here Charterers waived the invalidity of NOR by <i>electing</i> to allow cargo operation.	If the charterers are not aware of invalidity of tendered NOR, how can they elect to waive the invalidity?
Deemed/Implied Waiver	Maritime Industry believed that waiver can be “deemed waiver” or “implied” waiver when cargo operations are commenced after invalid NOR has been tendered	This concept is rejected after this case.
What happens to issue of commencement of laytime	Laytime commenced when cargo operations commenced	Laytime will not commence in this case as there would be no waiver.

FDD Department of ALCO advice to the clients of Andrew Liu is:

- a) Owners should keep on serving new NOR without prejudice to previous NOR in case they knew their tendered NOR was invalid.
- b) The Owners should not rely on that the Charterers will not know that tendered notice was invalid. This strategy is risky after this case.

- c) This is a new case and even though FDD department has tried to clarify the issues in detail, still the clients can contact FDD department 24 x 7 in case of doubt.

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