

Circular From: ALCO 2026/0029

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When Must Charterer Accept Valid NOR: Opinion from Tribunals

In earlier circulars our firm has shared the recent case law *Trans Trade RK v Sebat Shipping and Trading Company [The Sebat] [2026] EWHC 950 (Comm)* – a case denying that the commencement of loading operation may cure an invalid NOR.

However, there are a few grey areas regarding NOR and commencement of laytime, in case law context. All shipowners and charterers have to, in addition to learn case law, deal with issues in the grey areas.

In this circular, we will share a London arbitration where the Charterers were found impliedly obliged to accept a valid NOR promptly. This arbitration was decided by a tribunal consisting of two reputable arbitrators. Whilst the decision is not binding and unreported, the Tribunal's opinion is at least very informative and may assist ALCO clients assess whether a commercial settlement is fair and reasonable.

I. Background and terms of Charter Party

The Charter Party was a voyage charter for a shipment of coal from Vanino, Russia to Taean, South Korea, based on the BIMCO Standard Coal and Ore Charterparty (COAL-OREVOY) form.

The BIMCO form provides for the Charter Party to be governed by and construed in accordance with English law and for any dispute arising out of or in connection with it to be referred to arbitration in London in accordance with the Arbitration Act 1996 and for the arbitration to be conducted in accordance with the London Maritime Arbitrators' Association Terms current at the time when the arbitration proceedings commence.

The Charter Party contained a Bespoke Clause stipulating that: *Laytime at all loading/discharging ports shall commence to count in 12 hours after the Notice of Readiness tendered **and accepted**. Laytime not to count unless actually used.* (emphasis added)

The vessel arrived at the discharge port and tendered NOR at XX.XX hrs on Xth February 2024. But she failed to get berth until a few weeks later.

II. Dispute and Parties' submissions

The validity of NOR tendered is in dispute but this is less important. The main dispute between the parties is as to the meaning of Bespoke Clause mentioned above.

The Charterers submit that they were only obliged to act with reasonable despatch. And they accepted the NOR only when the vessel was alongside in accordance with the port's ordinary practice.

Owners, whilst acknowledging the reference to the acceptance of NOR in the Bespoke Clause, submit that the conclusion is absurd if Charterers can wait for more than 2 weeks before accepting it, and thereby delay the commencement of laytime without any reason.

Owners also submit that London Arbitration 9/96 can support their case where NOR was validly tendered at the loading port but was not accepted by the shippers until some five days later, there being no explanation for that delay provided by the charterers. The tribunal held that, in the absence of authority, they would have had no doubt that there was to be implied into the clause referred to above a term obliging the shippers to accept notice of readiness reasonably promptly, if not immediately. Otherwise, they said, the owners would be in an impossible position, being entirely at the mercy of the shippers as to when laytime should start counting.

III. The Tribunal's decision and opinion

The Tribunal accepts the Owners' submission that under English law it's not open to a charterer to refrain from accepting a valid NOR, and the Charterers' interpretation of the NOR and laytime provisions is commercially unattractive. Although it is not bound by decisions made in an earlier arbitration, the Tribunal find it appropriate and necessary to imply a term that the Charterers will not without good reason fail to **promptly** accept a valid NOR, as the tribunal in London Arbitration 9/96 decided.

The Tribunal explains that it also takes into account that acceptance of NOR is referred to as a trigger for commencement of laytime before concluding that NOR is to be accepted promptly rather than immediately.

The Tribunal also explains what constitutes "promptly" will depend on the facts of each case and in this case 3 hour is appropriate.

IV. ALCO Comments

It's surprising there is seemingly very little direct authority deciding when must a charterer accept a valid NOR when it's not uncommon to see charterparty terms refer to acceptance (and valid tender) of NOR as a trigger for commencement of laytime. The lack of case brings ambiguity to Owners' contractual position. Clients should therefore pay more attention when fixing charterparties.

Although the Tribunal of the case we are sharing agrees to the award of London Arbitration 9/96 and therefore find the Charterers must accept a valid NOR promptly and cannot withhold such

acceptance without convincing reasons, London Arbitration 9/96 is not binding. Other tribunals may hold the opposite opinion when they have (or even when they do not have) sufficient reasons.

Andrew Liu & Co. Ltd