

## COURSE OUTLINE

### (1) GENERAL

|  |   |                       |         |
|--|---|-----------------------|---------|
| SCHOOL   | Maritime and Industrial Studies   |                       |         |
| ACADEMIC UNIT  | Department of Maritime Studies  |                       |         |
| LEVEL OF STUDIES   | Postgraduate  |                       |         |
| COURSE CODE  | NAS-SHM106  | SEMESTER              | A       |
| COURSE TITLE   | Chartering  |                       |         |
| INDEPENDENT TEACHING ACTIVITIES<br><i>if credits are awarded for separate components of the course, e.g. lectures, laboratory exercises, etc. If the credits are awarded for the whole of the course, give the weekly teaching hours and the total credits</i> |   | WEEKLY TEACHING HOURS | CREDITS |
|  |   | 3,5                   | 5       |
|  |   |                       |         |
|  |   |                       |         |
| <i>Add rows if necessary. The organisation of teaching and the teaching methods used are described in detail at (d).</i>   |   |                       |         |
| COURSE TYPE<br><i>general background, special background, specialised general knowledge, skills development</i>  | Special Background  |                       |         |
| PREREQUISITE COURSES:  | No  |                       |         |
| LANGUAGE OF INSTRUCTION and EXAMINATIONS:  | English   |                       |         |
| IS THE COURSE OFFERED TO ERASMUS STUDENTS  | Yes   |                       |         |
| COURSE WEBSITE (URL)   | <a href="https://eclass.unipi.gr/courses/NAS-SHM106/">https://eclass.unipi.gr/courses/NAS-SHM106/</a> |                       |         |

### (2) LEARNING OUTCOMES

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| <p>Learning outcomes</p> <p><i>The course learning outcomes, specific knowledge, skills and competences of an appropriate level, which the students will acquire with the successful completion of the course are described.</i></p> <p><i>Consult Appendix A</i></p> <ul style="list-style-type: none"> <li>• <i>Description of the level of learning outcomes for each qualifications cycle, according to the Qualifications Framework of the European Higher Education Area</i></li> <li>• <i>Descriptors for Levels 6, 7 &amp; 8 of the European Qualifications Framework for Lifelong Learning and Appendix B</i></li> <li>• <i>Guidelines for writing Learning Outcomes</i></li> </ul> |
| <p>By the end of this module, students will be able to:</p> <ol style="list-style-type: none"> <li>1. Analyze market conditions for chartering decisions;</li> <li>2. Critically interpret charter party drafting and the wording of main clauses of charter parties;</li> <li>3. Critically evaluate the necessary changes of charter party clauses to protect the interests of the owner/charterer;</li> <li>4. Effectively undertake a voyage estimation</li> </ol>   |

### General Competences

Taking into consideration the general competences that the degree-holder must acquire (as these appear in the Diploma Supplement and appear below), at which of the following does the course aim?

|  |  |
|--|--|
| Search for, analysis and synthesis of data and information, with the use of the necessary technology | Project planning and management  |
| Adapting to new situations   | Respect for difference and multiculturalism  |
| Decision-making  | Respect for the natural environment  |
| Working independently  | Showing social, professional and ethical responsibility and sensitivity to gender issues |
| Team work  | Criticism and self-criticism   |
| Working in an international environment  | Production of free, creative and inductive thinking                                      |
| Working in an interdisciplinary environment  | .....  |
| Production of new research ideas   | Others...  |
|  | .....  |

The module is designed to enhance knowledge on the chartering documents, procedures and term interpretation taking into consideration all parties involved in the process; develop students' ability to assess the market shifts in order to determine and propose the proper chartering strategy for the company; and effectively apply practical legal knowledge on the charter party drafting and negotiation stage.

### (3) SYLLABUS

#### **Week 1 International Trade of goods - process and practice.**

- Ship types, chartering related dimensions and basic terminology. Stowage factor and cargoes. International Trade process and practice with focus on Letter of Credit. INCOTERMS and trade transaction documents.
- Understanding the Bill of Lading and the Charter party and their primary function in each shipping sub-market (Bulk and container shipping). Types and cost distribution in spot and time charters. Market reporting and Information sources. Preliminary voyage. Arrived ship. Berth and port charterparty. Laytime available. Demurrage/despatch. GENCON 22

#### **Week 2 Freight Market operation and freight formation**

- Voyage Charters: Conditions and warranties. Implied, express and innominate terms. Ship owner's obligations (Seaworthiness, No deviation, Reasonable dispatch). Charterer's obligations (Safe port, not to ship dangerous goods).
- Voyage Charter party concept and clauses  
Arrived ship and laytime provisions. L Loading/Discharging Costs: Responsibility for costs of loading and/or discharging of cargo. Laytime : Duration of laytime allowed; exceptions to laytime; commencement of laytime; time and manner of tendering of notice of readiness. Demurrage : Duration of demurrage period allowed; whether demurrage allowed at loading and/or discharge ports..  
Freight deemed earned and payable.

**Week 3 Freight rates and market conditions.**

- Distance, type of cargo and freight rate. Market interdependence and overspill.  
Sector size interdependence and freight rates

**Week 4 Chartering Process**

- Shipowners / Charterers
- Shipbrokers / Shipagents
- Consignees
- Stevedores / Tallyclerks
- Cargo orders and Position Lists - Role of Shipbrokers before and after fixture
- Full description of cargo - Stowage Factor
- Full description of ports with their limitations
- Firm negotiations and Main Terms Agreement - Recapitulation
- Comments on Charter Party Proforma - Final Agreement on Subjects
- Lifting of Subs - Vessel fully fixed
- Follow-up on loadport arrival/loading/bills of lading signature/departure/freight payment
- Claims for damage to cargo/shortdelivery/P&I Club assistance
- Time Sheets / Demurrage/Despatch settlement - Closing of file

**Week 5 Voyage Estimation**

- Voyage Estimation Principles
- Cost elements and Time elements
- Cargo quantity and margins / Full description with Stowage Factor
- Draft restrictions / Bunkers on Board and cargo intake quantity
- Speed and Consumptions / Margins at Sea
- Loading / Discharging rates / Margins in ports / Lost weekends
- Notice of Readiness - Port/Berth Charter Parties
- FIOS / FIOT / LINER OUT - SHINC / SATSHEX / FHEX
- Destination element and Charterers' Credibility
- Comparison of cargo orders / Need for T.C.E.
- TCE examples
- Worldscale - How it works

**Week 6 Time Charter party concept and clauses**

Types of Time Charters. Study of a Recapitulation of Fixture ("Fixture Recap").  
Vessel Description, Equipment and Representations.  
Terms, Conditions and Warranties.  
Owner, Disponent Owner and Charterer. Relation; Apportionment of Obligations, Risks and Expenses between the Principals.  
Delivery and Redelivery of a ship under a Time Charter. Duration. Early/Late Redelivery.  
Bunkering Provisions, Quality Control, Responsibilities, Security.  
Trading and Cargo Exclusions and Specific Provisions.  
Holds and Spaces Available to the Charterer. Responsibilities for Cleaning Cargo Spaces.  
Employment and Navigational Orders. Legitimate Orders.  
War, Piracy, Ice and Infectious Diseases Provisions.

**Week 7 Period of Hire and Hire Payments**

Anti-technicality Clauses, Remedies, Right of Withdrawal.  
Deductions from Hire. Off-Hire periods. Performance Claims.  
Bill of Lading in Time Charters. Cargo Claims.  
CII and EU ETS, incorporation and applicability in a Time Charter.



(4) TEACHING and LEARNING METHODS - EVALUATION

|   |  |                                 |
|---|--|---------------------------------|
| <p style="text-align: center;"><b>DELIVERY</b><br/><i>Face-to-face, Distance learning, etc.</i></p>   | Face to face   |                                 |
| <p style="text-align: center;"><b>USE OF INFORMATION AND COMMUNICATIONS TECHNOLOGY</b><br/><i>Use of ICT in teaching, laboratory education, communication with students</i></p>   | E-CLASS. MS TEAMS, EMAIL   |                                 |
| <p style="text-align: center;"><b>TEACHING METHODS</b><br/><i>The manner and methods of teaching are described in detail.<br/>Lectures, seminars, laboratory practice, fieldwork, study and analysis of bibliography, tutorials, placements, clinical practice, art workshop, interactive teaching, educational visits, project, essay writing, artistic creativity, etc.</i></p> <p><i>The student's study hours for each learning activity are given as well as the hours of non-directed study according to the principles of the ECTS</i></p>                                   | <p><i>Activity</i></p>   | <p><i>Semester workload</i></p> |
|   | Lectures   | 32                              |
|   | Self Study   | 125                             |
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|   | Course total   | 157                             |
| <p style="text-align: center;"><b>STUDENT PERFORMANCE EVALUATION</b><br/><i>Description of the evaluation procedure</i></p> <p><i>Language of evaluation, methods of evaluation, summative or conclusive, multiple choice questionnaires, short-answer questions, open-ended questions, problem solving, written work, essay/report, oral examination, public presentation, laboratory work, clinical examination of patient, art interpretation, other</i></p> <p><i>Specifically-defined evaluation criteria are given, and if and where they are accessible to students.</i></p> | <p>The module will be assessed through a summative assessment on three components:</p> <p>A. A practical assessment on voyage estimation (20%).</p> <p>B. A case study on voyage and/or time charter (30%)</p> <p>C. A summative exam on freight formation and relation to charter terms (50%)</p> |                                 |

(5) ATTACHED BIBLIOGRAPHY

- Suggested bibliography:

1. Th. Pagonis and N. Pentheroudakis: *Chartering Manual by Practitioners: Practitioners*; Book Avenue, LLP, London
2. Plomaritou, E. and Papadopoulos, A., 2017. *Shipbroking and chartering practice*. Informa Law from Routledge.
3. Eder, B., 2015. *Scrutton on charterparties and bills of lading*. Sweet & Maxwell.
4. McConville J. (1999), *Economics of maritime transport, theory and practice*. Witherby
5. Stopford M. (2009), *Maritime economics (3rd ed)*. Routledge.

- Related academic journals:

Stapleton, D, Pande, V, & O'Brien, D 2014, 'EXW, FOB OR FCA? CHOOSING THE RIGHT INCOTERM AND WHY IT MATTERS TO MARITIME SHIPPERS', *Journal Of Transportation Law, Logistics & Policy*, 81, 3, pp. 227-248

OGLINDĂ, B, & OLARIU, C 2018, 'Risky business: distribution of risk in contracts for international sales of goods', *Juridical Tribune / Tribuna Juridica*, 8, 1, pp. 103-113

Hoeferle, A., Schmidt-Eisenlohr, T. and Yu, Z., 2016. Payment choice in international trade: Theory and evidence from cross-country firm-level data. *Canadian Journal of Economics/Revue canadienne d'économie*, 49(1), pp.296-319.

Sefara, A.A., 2016. The structure of carrier's liability and burden of proof under the United Nations convention on contracts for the international carriage of goods wholly or partly by sea (2009). *Australian Journal of Maritime & Ocean Affairs*, 8(3), pp.199-205.

Heij, C. and Knapp, S., 2014. Dynamics in the dry bulk market economic activity, trade flows, and safety in Shipping. *Journal of Transport Economics and Policy (JTEP)*, 48(3), pp.499-514.

Beenstock, M., Vergottis, A.R.: An econometric model of the world tanker market. *J. Transp. Econ. Policy* 23(2), 263–280 (1989)

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