

Laytime, Demurrage & Despatch

21-23 October 2024
London

Course Moderator

Dr John M Doviak

Managing Director, Cambridge Academy of Transport

organised by



Cambridge Academy of Transport

11 Hinton Way • Great Shelford • Cambridge CB22 5AX

Tel: +44 (0)1223 845242 • Mobile: +44 (0)7802 223121

Email: enquiries@catz.co.uk • Website: www.catz.co.uk

Course Programme

LAYTIME, DEMURRAGE AND DESPATCH

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Monday 21 October 2024

Time	Session	Lecture
10.45-11.00		Course Introduction and Welcoming Remarks
11.00-12.30	1	Introduction to Laytime, Demurrage and Despatch <p>The shipping adventure, namely the voyage performed for the carriage of cargo, involves four separate parts: the loading voyage (ie the passage in ballast to the port of loading); the loading operation; the carrying voyage; and the discharging operation. The two voyage stages require acts of performance by the shipowner alone and do not concern the charterer - it is the shipowner that bears the primary risk. The other two stages in the loading and discharging ports require acts of performance by both the shipowner and the charterer, and it is the interplay of these which has given rise to so many disputes under the general heading of laytime and demurrage.</p> <p>As the introduction to the topic of the seminar, this session will consider the four key questions associated with laytime and, by inference, demurrage:</p> <ol style="list-style-type: none">1. How is laytime calculated?2. When does the (lay)time start to run?3. What suspends the laytime from running?-4. When does laytime stop running? <p>Laytime is a very practical subject but it also causes many legal disputes. Thus it is essential to keep up-to-date with the relevant law cases which will be presented during this session and the following ones during the seminar.</p>
12.30		Lunch
13.45-15.15	2	Commencement of Laytime <p>This session concentrates on the very important subject of the Commencement of Laytime. Along the way, the common law and current practice relating to the delivery of the "Notice of Readiness" will be explained. This clarification of the position of the NOR will lead directly to the three factors which are required to enable laytime to commence. Where must the vessel be to be an "arrived ship" will be considered as will the state of "readiness" of the vessel to load and discharge the cargo.</p>
15.15		Tea
15.30-17.00	3	Laytime Definitions and an Introduction to Exceptions <p>The Charter Party Laytime Definitions 1980 introduced by the Comité Maritime Internationale in the early 1980s evolved to become the Voyage Charterparty Laytime Interpretation Rules (or the VOYLAYRULES93). These were generally ignored by the shipping markets and their lack of use as "rules" led to a further evolution in 2013 to return as the Laytime Definitions for Charter Parties 2013. These provide a useful guide (not rules) to the meaning of many terms encountered in dealing with laytime.</p> <p>During this session, the lecturer will explore a number of phrases commonly found in modern charter parties, the interpretation of which frequently has led to disputes that have come before the English Commercial Courts. Included in the phrases which will</p>

be considered here will be, amongst others, those which deal with “holidays” and “weather”. These will help to explain the difference between “exceptions” and “interruptions” to laytime

Time permitting, a worked example will be used to illustrate how exceptions to laytime impact on the financial calculation for demurrage or despatch.

Laytime Demurrage and Despatch

Tuesday 22 October 2024

- 09.00-11.00** **4** **Comparison of Key Charter Party Laytime & Demurrage Clauses**
- Most charter parties contain several clauses that relate to either commencement of laytime, laytime itself, demurrage or exceptions issues. Familiarity with these clauses is essential to accurate assessment of any demurrage or despatch claim. This session will consist of an exercise where participants are asked to answer a number of important laytime questions based on a variety of charter parties.
- 11.00** *Coffee*
- 11.15-12.45** **5** **What Stops the Clock? - Laytime Exceptions**
- Charter Parties frequently include express clauses interrupting laytime in the event of certain situations occurring, such as shifting between berths, strikes, lock-outs and fault of vessel. These situations and their specific clauses will be discussed during this session building upon the introduction of the preceding session.
- 12.45** *Lunch*
- 13.45-15.15** **6** **Post Fixture & Advanced Laytime**
- Whilst many think only of laytime and demurrage in the context of "post fixture" operations, the reality is somewhat more complicated. This session will deal with post fixture mechanics, addressing the "who does what with whom, when and why" of the business. The functions of a post fixture department are common to shipowners, ship operators, voyage and time charterers or brokers who provide this service to their principals.
- Part 2 of the session will introduce more advanced concepts of laytime, demurrage and despatch in preparation for a number of worked exercises that will follow.
- 15.15** *Tea*
- 15.30-17.00** **7** **Laytime Exercises**
- In anticipation of the full-day workshop tomorrow, this session will consist of a number of simple laytime and demurrage exercises designed to stimulate thinking about where in charter parties are found those clauses which impact on the laytime assessment. Participants will be given either a dry-cargo or tanker example and be asked to identify several of the key parameters such as when a valid NOR has been given. Having correctly established the main parameters for the example, it should be straightforward for participants to calculate the laytime and then the final financial result.

Workshop Day
PRACTICAL LAYTIME CALCULATING

Participants are asked which workshop topic they wish to follow for this day. If Tanker is chosen then please refer to section 8 & 9 in the binder, if Dry Cargo then please refer to section 10 & 11

09.30 Introduction

During this first session the importance of Laytime calculating skills will be examined and thoroughly explained. Participants will join either the tanker or the dry-cargo workshop groups for tuition and practical exercises. The two groups will work independently under the guidance of their group Tutors throughout the day.

Each group will study the following important issues:

- commencement of laytime
- "arrived ship"
- valid Notice of Readiness
- laytime duration and its variations

Having set the scene, groups will further develop their understanding of:

- interruptions to laytime and demurrage
- exceptions to laytime and demurrage
- the difference between demurrage and detention
- charter party demurrage versus sales contract demurrage

13.00 – 14.00 Lunch

Practical examples now help to put the morning's advice to good use. Groups will work through several exercises supervised by the team of tutors. Along the way, more details will be filled in

- reversible / non-reversible laytime
- all time saved versus working time saved
- documents on board, then what?
- reachable on arrival
- pumping warranties
- key clauses of the Asbatankvoy / Gencon charter parties
- statements of fact

16.30 Laytime Conclusion

By the conclusion of the workshops, participants should be able to identify the laytime and demurrage clauses in charter parties, establish which clauses are advantageous, amend charters to alter the effect of printed clauses, interpret statements of fact and supporting documents, and work out any demurrage due and in the case of the dry-cargo workshop, despatch.