

Tanker Chartering

10-13 May 2021

Online Course
Tutor

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*Each day of this four-day course will consist of three lectures of 45 minutes
with two fifteen minute breaks. Classes will start at 11:00 GMT on each day
and conclude at 13:45 GMT*

Organised by



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Course Programme

Tanker Chartering

Market Focus

**Monday
10 May**

What is the tanker market

- Types of cargoes carried
 - o Crude oils
 - o Products
- Types of vessels needed

**Session 1
1100-1145**

Physical characteristics of crude oil

- API
- Types / locations of crude oils
- Platts Periodic Table of oils

**Session 2
1200-1245**

How does a tanker chartering deal come about

- Charterer driven
 - o Short term voyage versus longer term time charter
- Use of brokers to cover the market
- Types of Owner/Charterer communication channels
 - o Open market via a spread of brokers working for the charterer
 - o Selected brokers to develop the business
 - o Single broker
 - o Direct to owner cutting out brokers
- Tenders

**Session 3
1300-1345**

Deal Focus

**Tuesday
11 May**

Negotiation

- The Psychology of Negotiating
- Preparation and Planning
- Offer/Counter-offer
- Main terms / Subjects
- Vessel acceptability
- When is a contract finalised

**Session 4
1100-1145**

Charter Parties

- Main charters used in the tanker business
- Voyage based
 - o Asbatankvoy
 - o Shellvoy 6
 - o BPVoy 4
 - o Others driven by the main cargo interests

**Session 5
1200-1245**

- Time based
 - o ShellTime 4
- Contracts of Affreightment
- Specialised markets
 - o Chemicals
 - o Gases
- Main negotiable terms
- Warranty versus Condition clauses

Session 6
1300-1345

Additional or Extra Clauses

- Different trades need different clauses
- Many charterers have preferred terms unique to them
- Pro-forma charter parties are often dated
- Rules and regulations develop faster than charter parties
- Different classes of “extra clauses”
 - o clauses that fill in the gaps
 - o clauses that deal with special trades
 - o Risk equalisation clauses

Tools of Tanker Chartering

Wednesday
12 May

Session 7
1100-1145

Understanding Worldscale

- Why is it used so extensively in tanker chartering?
- Terms and conditions
- Standard vessel calculation
- Fixed and Variable Differentials
- Imperfections of the Worldscale system

Session 8
1200-1245

Evaluating alternative offers and counter-offers

- Basic Voyage estimating
 - o Ballast voyage / Laden voyage
 - o Time charter Equivalent
- More complex voyage alternatives
- Factors influencing the financial outcome
- Useful tips in evaluating voyages
- Voyage estimating calculator
- Examples

Post Fixture & Operations

Session 9
1300-1345

The operational interface

- Cargo / Vessel suitability
- Importance of physical parameters
 - o Vessel & port/terminal compatibility
 - o Previous cargoes
- Bunker provisioning
- What can go wrong?

**Thursday
13 May**

Basic principles of tanker laytime and demurrage

**Session 10
1100-1145**

- Arrived ship
- Commencement of laytime
- Early loading procedures
- Crude Oil Washing allowances
- Suspension of Exceptions to laytime

Life in the Real World

A typical voyage

**Session 11
1200-1245**

- Who does what with whom
- The ballast passage
- Preparing cargo tanks for loading
- Deballasting
- Port and cargo documentation
 - o Bills of Lading
 - o Early loading
 - o Early departure
- The laden passage
 - o Heated cargoes
- Preparing for discharge
 - o Ship / Shore interface
 - o Cargo delivery
 - o Remaining on Board (ROB) / unpumpables
- Letters of Indemnity (LOI)

Oil pollution legislation

**Session 12
1300-1345**

- Who pays for clean-up and compensation
- How much and on what basis
- The principle of strict liability
- Civil Liabilities Convention (CLC)
- IOPC Fund Convention
- Marpol
 - o Annex I – VI
 - o Prevention of pollution by oil
 - o Prevention of air pollution from ships
- United States Oil Pollution Act 1990 (OPA '90)

- **Final round-up and Conclusion**

Programme subject to change