

A/E or ACC/EXC (Accept/Except)

stipulation in written offers and counteroffers for contracts of affreightment, charter parties and other shipping contracts which are used to denote that all terms have been accepted, except the terms which then are delineated and referred to as the “outstanding terms.” Negotiations will then continue on the outstanding terms.

AAAA (always accessible always afloat)

Term often found in charter parties stipulating that the charterer is to only order the vessels to ports or places where the vessel will not touch bottom, or where the vessel can depart at any time regardless of variations in tides, force majeure excepted. Compare: NAABSA (not always afloat but safely aground).

Affreightment, Contract of

see CoA below.

AFSPS (Arrival First Sea Pilot Station)

The term is usually used in a time charter party to

denote the place where the vessel will be delivered by the owners to the time charterers, and the port is up river and will require not only sea pilots but river and harbor pilots.

AG (Arabian Gulf)

abbreviation which may be used in charter parties to stipulate that

the Arabian Gulf an area where the vessel is/is not permitted to trade or be delivered or redelivered.

Agency Fee

Fee paid to a port agent by the shipowner or ship operator for arranging a

berth with the port authority, ordering pilots, arranging tugs and labor, entering the ship in

at Customs and collecting freight.

AGW (all going well)

a term frequently used as a subject or an exception to a warranty or

stipulation, such as “the voyage will be performed in 14 days, agw.”

All-in Rate

A freight rate which includes all extra costs or surcharges, usually prevalent in

liner trades.

AP (All Purposes) and DAP (Days All Purposes)

A term in a charter party usually following the provision for laytime which indicates that the total number of days stipulated may be used for loading or discharging including waiting for a berth if the vessel is an arrived ship.

APS (Arrival Pilot Station)

The term is usually used in a time charter party to denote the place where the vessel will be delivered by the owners to the time charterers.

Arbitration Clause

A charter party clause usually stipulating that all disputes arising from or connected with the contract will be resolved by reference to arbitration specifying the place where the arbitration is to be held, defining the number of arbitrators and their qualifications, and determining the procedure should one party fail to nominate an arbitrator.

Arbitration Rules or Terms

The rules under which arbitration will be held. Arbitrations are frequently subject to the terms published by the London Maritime Arbitrators' Association (LMAA) (see www.lmaa.london.com), the Society of Maritime Arbitrators in New York (SMA) (see www.smany.org). A growing number of arbitrations are also subject to the rules published by the German Maritime Arbitration Association in Hamburg (GMAA) (see www.gmaa.de) and the Singapore Chamber of Maritime Arbitration (SCMA) (see scma.org.sg)

Arrived Ship

In a voyage charter party, the ship must have arrived before laytime can commence. Arrival may be determined by whether the charter party is a "berth" charter party (in which case the vessel can only tender notice once she is at berth) or a port charter party (in which case the vessel can tender notice once she is in port).

The following conditions are required for a vessel to be considered to be an "arrived" vessel:

1. The vessel must have arrived at the loading or discharging berth or port as stipulated in the charter; or so near thereto as she may safely get.
2. The vessel must be fully ready for cargo operations;
3. If and as required, Notice of Readiness (NOR) in writing, as prescribed,

must have been tendered to shippers, charterers, merchants, agents or consignees as stipulated in the charter party. Unless otherwise stipulated, NOR may only be required at the first load/discharge port.

As Agent(s) Only

designation in a charter party, bill of lading or other shipping documents that the party executing the document is executing “as agent(s) only” and on behalf of their principal.

As is

Condition or subject of a sale or offer which indicates that the subject cargo or vessel or other item is offered or sold in its current condition.

As is, Where is

Term which may be included in a vessel sale and purchase contract which indicates that the vessel would be sold where she is currently lying and in her current state of repair.

ATDN (Any Time Day or Night)

Stipulation in a charter party regarding the delivery or redelivery of a vessel. Also may be used with laytime stipulations and in which case may be followed by SHINC (Sundays Holidays Included), SHEX (Sundays Holidays Excluded), FHINC (Fridays Holidays Included) or FHEX (Fridays Holidays Excluded)

ATS (All Time Saved)

calculation of despatch money payable by the owner to the voyage charterer which is usually the time saved to the vessel from the completion of the loading or discharging operation until the end of permitted laytime.

ATUTC (All Time Used To Count)

Laytime stipulation that all time utilized by the voyage charterer will count as laytime, regardless of any other term in the voyage charter party.

Averaging for Laytime

If the amount of laytime stipulated is permitted to be used for both laytime at loadport and at the discharge port so that voyage charterers may avoid or

mitigate demurrage, then the laytime is said to be averaged or reversed.

Back-to-Back-Charter

Concerning a time charter, a back-to-back charter party is a charter party between a time charterer and a sub-time charterer further down the charter party chain that is based on a charter party between the time charterer and an owner or time charterer that is further up the charter party chain. Therefore, the time charterer has the same obligations to the owner or superior time charterer that the sub-charterer has to the time charterer. For voyage charterers, back-to-back terms often occur when a Non-Vessel Owning Common Carrier (NVOCC) or another Owner/Carrier has contracted for cargo on voyage charter party terms but cannot perform and relets the cargo to another carrier on the same terms as the initial voyage charter party with the Charterers/Merchants. The principle of a back-to-back charter is that anyone acting as a time charter or owner should have the same obligations with their contractual party.

BAF (Bunker adjustment factor)

A clause which stipulates that the freight rate is predicated upon bunkers being at a particular market price and if the cost of bunkers goes up (down), there is an associated increase (decrease) in freight. The BAF is usually expressed as a percentage of freight

Bale

A measurement of the vessel's carrying capacity, usually for breakbulk cargo, which takes into consideration the inability to load between the vessel's stanchions or frames. Compare with Grain which is a measurement, usually for bulk cargoes which assume the cargo will be able to be loaded around the vessel's frames and stanchions. Accordingly, the grain capacity will always be greater than the bale capacity.

Ballast Bonus (BB)

A lump sum paid to the owner or carrier by a time or voyage charterer to compensate the owner or carrier for steaming to or near the first load port before the commencement of the charter party.

Baltic Code

A code of ethics promulgated by the Baltic Exchange (see below) specifically for independent chartering or ship brokers.

Baltic Exchange

A London institution dedicated to the exchange of information regarding freight contracts and time charter party rates as well as freight futures of larger vessels as well as vessel and demolition values.

The Baltic Exchange can trace its origins to the informal discussions between merchants and ship owners at the Virginia and Baltick coffee house in the mid-1700s. In 1823 an admission procedure instituted and formal rules were for the exchange of information was adopted. In November 2016, the Singapore Exchange acquired the Baltic Exchange the Baltic Exchange. (See www.balticexchange.com).

Baltime

The Baltime 1939 time charter party (revised in 2001) is an industry standard time charter party published by BIMCO.

Bareboat Charter

Arrangement for the charter of a ship in which the shipowner only provides the ship; while the charterer provides the crew, stores, bunkers, and pays all operating costs. In other words, the shipowner hands possession of the ship to charterer, differentiating a bareboat charter from voyage and time charters, where shipowners provide the master and the crew.

BBB (Before Breaking Bulk)

A critical period in the vessel operations immediately before discharging the cargo and a stipulation or condition contained in the terms of the contract (usually a bill of lading or voyage charter party) regarding the time for the payment of freight or partial freight.

BENDS (Both Ends)

Term usually found in a voyage charter party designating responsibility of either the owner or charter at both the loading and discharge port. Example: "Charterers' agents bends" which would mean that Charterers' agents would be responsible for vessel agency at both the load and discharge port.

Bill of lading (B/L)

After cargo has been loaded onboard a vessel, a bill of lading is issued to the Merchant upon request by the Carrier. A bill of lading serves three vital functions in the transportation of cargo. First, a bill of lading is a receipt for the cargo. Secondly, a bill of lading is evidence of the terms of the contract for carriage between the Merchant and the Carrier. Thirdly, the bill of lading is a negotiable document of title, and accordingly, the holder of the bill of lading is the owner of the cargo or goods described in the bill of lading.

BIMCO (The Baltic and International Maritime Council)

Originally founded as "the Baltic and White Sea Conference" in Copenhagen in 1905, BIMCO remains headquartered in Copenhagen and is an industry association primarily for shipowners although membership is also open to brokers and agents. BIMCO provides its members with industry information and has created many of the contractual forms utilized in shipping, including time and voyage charter parties. (See bimco.org)

Booking Note

Contract between a Carrier and a Merchant which delineates the terms of carriage. The terms of the subsequently issued bill of lading reflect the terms of the booking note.

Both to Blame Collision Clause

A clause incorporated in a bill of lading and/or charter party which contemplates a vessel collision resulting in damaged cargo and aims to achieve an equitable result by preventing the Merchant from recovering damages from both the carrying and non-carrying vessel. The clause stipulates that if the Merchant has recovered damages from the carrying vessel, the Merchant is to pay the carrying vessel owners any sums received by the Merchant for damages by the non-carrying vessel. The both-to-blame clause is not enforceable under US maritime law.

Bottom fouling

a condition where the ship's bottom becomes affected by marine growth, usually from trading in warm waters. Per usual standard terms of time charters, it is owners' obligation to maintain the vessel in an efficient state, and therefore the cost of cleaning the ship's bottom is usually for owners' account.

Breach of Contract

the failure of a party to perform one of the terms of the contract without an excuse that is recognized as such under the contract or at law.

Breakbulk

Cargo which is not bulk, not containerized, and usually stowed in packages and bundles. Machinery and steel coils are examples of breakbulk cargoes.

Bulk

homogeneous cargoes like grains or oils.

Bunker Surcharge

See BAF above.

Bunkers

fuels used by ships and which span from the lighter Marine Gas Oil (MGO) to Marine Diesel Oil (MDO) to Intermediate Fuel Oil (IFO- which is a blend of MGO and heavy fuel oil), and then to Heavy Fuel Oil (HFO). The essential characteristics or parameters of bunkers include viscosity (thickness) with the lighter fuels being less viscous and more expensive, as well as Sulphur content as there are international and regional regulations regarding the maximum Sulphur content of bunkers.

Canceling Date or Event

In a voyage or time charter party, the final date agreed in which a ship must be available to the Charterer at the agreed location. If the canceling date is not respected, the Charterer may have the right to cancel the charter party.

Cancellation (of a Contract)

The exercise of an option contained in a contract by one party to cancel, or repudiate, the contract. For example, many charter parties and other contracts of affreightment contain a clause which

provides the Charterer or Merchant the option of canceling the contract if the vessel is not presented by the specified dates. In this event, the Charterer or Merchant has the option of accepting this breach as a repudiation of the contract, and therefore, the contract will be cancelled.

Carriage of Goods by Sea Act (COGSA)

United States Act which has incorporated the Hague Rules into US law and which delineates the obligations of the Carrier and Merchant for cargo shipments to or from the United States which may be governed by a bill of lading. US COGSA also provides the Carrier with defenses and a package limitation. (See Package Limitation below). The official citation for US COGSA is The Carriage of Goods by Sea Act 46 U.S.C. §30701 n.1 (2012).

Carrier

Under a bill of lading, the Carrier is the party who has the obligations to carry the cargo, usually under the Hague, Hague-Visby or Hamburg Rules which govern the duties and the obligations of the Carrier. The Carrier's contractual partner is generally the Merchant who may include the shipper and/or the receiver and/or the consignee of the cargo.

Charter Party (or charterparty) (Latin, carta partita or "divided document")

an agreement between a vessel Owner and a Charterer which provides for the terms under which the Charterer may use or employ the ship. The three most prevalent types of charter parties are: (1) time charters under which the Charterer hires the vessel (including the crew) from the Owners for a period; (2) voyage charters under the Owners agree to carry the Charterers cargo from particular port(s) to particular port(s) and (3) demise or bareboat charters under which the Charterer hires the vessel but provides the crew and vessel management. Note: In the United States legal cases and commercial writing, it is common to write charter party as a two-word term whereas in English law and commercial discourse, charterparty is commonly written as one word.

Charter Party Bill of Lading

bill of lading issued under the terms of a voyage charter party. The bill of lading will usually include an incorporation clause, incorporating the terms of the relevant charter party.

Charterer

Party who charters the vessel from the Owner under the terms of the charter party. The Charterer may be a time, voyage or demise (bareboat) charterer (see charter party above).

Charterer's Agent

Ship's port agent which is nominated by charterers although paid for and the agent of the vessel and vessel owners. The agent will provide the necessary vessel husbandry at the port.

Chartering in/out

the chartering of a vessel to a Charterer from an Owner. The Charterer will "charter in" the vessel while the Owner will "charter out" the vessel.

CHOPT

Chartering term and abbreviation for “Charterers’ Option. The charter party may allow for additional ports to be called or cargo to be loaded in charterers’ option, or chopt.

Clause Paramount

A standard clause in a bill of lading or charter party which provides a process for determining which Rules shall apply to the bill of lading. Typically, a Clause Paramount will state that the Hague Rules “...enacted in the country of shipment shall apply to this Contract. When no such enactment is in force in the country of shipment, the corresponding legislation of the country of destination shall apply. In respect of shipments to which there are no such enactments compulsorily applicable, the terms of Articles I-VIII [of the Hague Rules] inclusive of said Convention shall apply.” Otherwise, the Clause Paramount will usually provide that in countries where the Hague-Rules are compulsorily applicable, the Hague-Visby Rules shall apply. The importance of the Clause Paramount, among other things, is that the Clause provides for determining which package limitation applies to the shipment.

Combined or Multimodal Transport

Carriage of goods involving two modes of transport, such as ocean carriage and rail. A bill of lading may be issued for combined or multimodal transport, and the Carrier under such bill may be responsible for the cargo until the cargo is discharged at the final destination specified under the bill of lading unless the Carrier is acting as agent only during any segment of the transport.

Common Carrier

In shipping, a Carrier which offers carriage to the public generally. A common carrier generally cannot discriminate between shippers and must offer identical and identically situated cargo to be carried on the same terms. Under U.S. law, common carriers are regulated by the Federal maritime Commissions (FMC), and all common carriers are required to publish a tariff following FMC rules.

Competitive Broker

A ship broker who does not represent either the charterer or owner and works in between other brokers.

Conference

Also referred to as “liner shipping”, where multiple shipping lines operate between specially designated routes. The lines agree on freight rates, and each line charges the same as the other(s). Conference rates are relatively stable because a general rate increase amends the base rate - often occurring once a year. Lines in a conference are governed by the rule of membership such as rights to load or discharge at specific ports, and cargo pooling.

Congenbill

Type of charter party bill of lading that is intended to be used with Gencon charter parties. BIMCO’s documentary committee has approved the Congenbil.

Congestion Surcharge

Additional cost applied to the base freight rate to reflect the cost of delay when calling a congested port.

Online Booking Note

Liner Booking Note approved by BIMCO.

Onlinebill

Liner Bill of Lading published and approved by the BIMCO.

Consecutive Voyages

Sequential voyage charters to another party. The charter party may indicate the number of voyages, cargo to be carried or the total period in which the agreed voyages are to be completed.

Consignee

Entity responsible for receiving delivery of the goods at the place of destination. The consignee typically the same party as the receiver.

Constant

Term denoting elements of a ship that is somewhat permanent, such as crew and effects, stores and spare parts, which must be deducted from the deadweight measurement when determining the deadweight available for cargo.

COP (Custom of the Port)

Common and established practice at a port that may become an element of a contract, unless the terms of the agreed terms provide otherwise. A typical example would be the daily rate of loading/discharging.

Counter-offer or Counter

Response (by offeree) to an offer (by offeror) which in some way changes the terms or conditions of the initial offer. The mere fact of a party making a counteroffer renders the offer itself no longer binding. In other words, the counteroffer must be accepted by the offeror to form a contract.

CQD (Customary Quick Despatch)

The charterer must load and/or discharge as fast as is reasonably possible in the circumstances prevailing at the time of loading or discharging; no prior agreement on demurrage exists. From the standpoint of an owner, very little assurance is provided, if any, of a quick load and/or discharge (See charter party Laytime Definitions 1980, as reprinted in Laytime and Demurrage, Schofield 4th Edition Page 428).

Currency Adjustment Factor (CAF)

Fee applied by the carrier, in addition to the base freight rate that offsets losses for fluctuating exchange rates. The CAF is normally expressed as a percentage of the freight; thus a freight rate of \$100 becomes \$110 when subject to a plus 10 percent CAF.

D/A (Disbursements Account)

An account set up by a ship's port agent for all sums paid relating to the ship's port call. This account may include towage, pilotage, cash advanced to the master, supply of provisions and stores and the agency fee. Port agents typically use vouchers to support such charges.

Deadfreight

Damages payable by a shipper or charterer of a ship for failing to load the amount of cargo stipulated in the contract. Deadfreight is typically payable at the full freight rate.

Deadweight Cargo

Cargo that is heavy in proportion to the space it uses. Freight for deadweight cargo is generally calculated on a per metric ton basis.

Deck Cargo

Cargo carried on the open deck of a ship. A carrier and a shipper may agree to carry some goods, such as those too large for the ship's holds, on deck. For some cargoes such as hazardous materials, deck carriage may be required.

Delivery Certificate

Document signed by or on behalf of the shipowner and charterer, indicating the time, date and place of delivery, quantity of bunkers, and number of water for boilers. This document also provides the charterer an opportunity to address any allegations that the ship failed to comply with the terms of the charter party.

Dely (Delivery (of a ship))

Term denoting when a shipowner makes a ship available to the charterer at the beginning of the period of the charter. The ship is typically delivered to an agreed upon location, where an on-hire survey may be arranged to determine the condition of the ship and the number of bunkers on board at the time of delivery.

Dem (Demurrage)

Damages paid to the shipowner for the failure to complete loading and/or discharge within the time allowed in the charter party. The rate of demurrage is typically agreed upon as a liquidated damage. A longstanding maxim applying to demurrage is that once a ship is on demurrage, it is always on demurrage. In other words, deductions are no longer made for any excepted periods stipulated in the charter party – all time falling on charterer's account.

Demise Clause

Clause commonly found in a bill of lading issued by time charterers of a ship, which provides that the contract of carriage is between the shipper or bill of lading holder and the shipowner. Depending on the country, the demise clause may be accepted in favor of charterers or shipowners.

DESP (Despatch or Despatch Money)

Under a voyage charter, agreed upon amount of money paid by the shipowner to the charterer, for loading and/or discharging in less than the time allowed. Despatch may be either the same rate as or half the rate of the rate of demurrage.

Detention

Damages payable to the shipowner for failing to load and/or discharge the cargo within the time allowed in the charter party. Here, detention is owed for each day until loading and/or discharge operations are complete. Detention differs from demurrage in that, the amount is not agreed in advance as a liquidated damage, but instead determined by a court. A court may either (1) set a detention rate as the same rate as demurrage if such a rate has been incorporated into the charter party or (2) base it on the daily running cost of the ship plus any profit which shipowner might reasonably have expected.

Detention Charge

Damages payable by a shipper for detaining the ship or equipment outside of the agreed period allowed.

Deviation Clause

Clause in a contract of affreightment that allows the shipowner to deviate from an agreed route. This clause varies from contract to contract and may permit the ship to call unscheduled ports for whatever reason, or to deviate to save life or property.

DHD (Demurrage Half Despatch)

Term that may be included in a voyage charter signifying that despatch money is to be paid at half the daily rate of demurrage.

Disponent Owner

Party responsible for the commercial operation of a ship. Generally, a disponent owner is a commercial carrier that time charters a ship and issues its own bills of lading.

DLOSP (Dropping Last Outward Sea Pilot)

Term in a time charter used to determine the time and place of redelivery of a ship to the owner by the charterer, when redelivering after discharging in a port up a river, which will require not only sea pilots but river and harbor pilots. Hire payments are no longer due once the last sea pilot disembarks.

Dock Dues

Charge levied against a shipowner or ship operator by a port authority for the use of a dock.

DOP (Dropping Outward Pilot)

Term in a time charter used to determine the time and place of redelivery of a ship to the owner by the charterer. Hire payments are no longer due once the pilot disembarks.

DWCC (Deadweight Cargo Capacity or Deadweight Carrying Capacity)

Weight of cargo that can be loaded on a ship without extra provisions; usually expressed in tons.

DWT or DWAT (Deadweight or deadweight all told)

Deadweight is the total of the cargo, fuel, ballast water, fresh water, passenger, crew and other provisions; this does not include the weight of the ship on its own.

EIU (Even if Used)

Term used in a voyage charter party providing that time used to load or discharge during excepted periods will not be deducted from the time allowed. For instance, a charter party might stipulate that time does not count from 1700 hours Friday to 0800 hours Monday, even if used. Here, if charterers choose to load or discharge during these hours, time spent working would not count as laytime.

Endorse a Bill of Lading

The act of signing a Bill of Lading to transfer title of the described goods to another party.

ETA (Estimated Time of Arrival)

the date and time in which a ship is estimated to arrive at a particular port.

ETC (Estimated Time of Completion)

the date and time in which a ship is estimated to complete cargo operations.

ETD (Estimated Time of Departure)

the date and time in which a ship is estimated to depart from a particular port.

Excepted Period

Express provision in a charter party providing for specific periods where time used does not count toward demurrage or despatch calculations; for example, weekends and public holidays. Once laytime expires, time will count during the excepted periods for purposes of demurrage.

Extension of a Charter

The act of extending the period a ship is on time charter under a particular charter party. This option may be expressly incorporated into the charter party. Terms of extension may be the same as under the charter party, or they may include a different rate of hire.

Extension to the Canceling Date

Generally a charter party stipulates when a ship is obligated to tender a notice of readiness; an extension to the canceling date is an additional agreement to a later date of tender. For example, a ship owner may request that the charterer agree to amend the contract with the new date. If the charterer refuses to agree, it may have the option to cancel.

F/C (Full and Complete Cargo)

A full cargo according to the particular customs of a port; this will either (1) bring the vessel to her maximum draft or (2) fill the vessel cubically.

FAC (Fast as Can)

A contractual term indicating that the shipper must provide the cargo as fast as the ship can load, or that the receiver must take delivery as fast as the ship can discharge.

FD (Free Despatch)

A term that may be included in a voyage charter party indicating that despatch is not owed when time is saved.

FEU (Forty Foot Equivalent Unit)

Unit of measurement equaling one 40-foot container. This measurement is used to quantify the container capacity of a ship, the number of containers carried on a particular voyage or over a period of time, or it may be the unit on which freight is based.

FHEX (Fridays and Holidays Excepted)

A term in a charter party in which Fridays and holidays do not count in the calculation of laytime. This term applies to those countries where Friday and Saturday constitute the public weekend.

FI (Free In)

Term denoting that the costs of cargo handling at the load port are free of expense to the shipowner.

FIL0 /FILTD (Free in Liner Out / Free in Liner Terms Discharge)

Freight rate qualifier that includes sea carriage and cost of discharge. The cost of loading, and in some cases, dunnaging, lashing, and securing are all payable by the charterer or shipper.

FIO (Free In and Out)

Freight rate qualifier in which the costs of loading and discharging, and in some cases, stowing, dunnaging, lashing and securing, are paid by the charterer or shipper. Because the shipowner typically has no control over loading and discharging, the charter party often contemplates laytime and demurrage to allow for delays at the loading and discharging ports.

FIO LSD (Free In and Out, Lashed, Secured and Dunnaged)

Freight rate qualifier equivalent to free in and out, but which avoids any ambiguity by specifying that the cost of lashing, securing and dunnaging is not for the account of the shipowner.

FIOS (Free In and Out and Stowed)

Freight rate qualifier equivalent to free in and out but avoids any ambiguity by indicating that the cost of stowage is not to be paid by the shipowner.

FIOT (Free In and Out and Trimmed)

Freight rate qualifier, typically used for the carriage of bulk cargo. This term is equivalent to free in and out but avoids ambiguity by specifying that the cost of trimming is not payable by the shipowner.

Firm Offer

An offer that is unconditionally accepted by the offeror. Such offer is binding if it is accepted in full without further conditions.

First Class Ship

A ship with the highest class given by a classification society following applicable rules on construction and maintenance.

Fixed on Subjects

When the terms and conditions of chartering a ship have been agreed except for a few, ordinarily minor, conditions.

Fixture

Conclusion of the negotiations between shipowner and charterer, generally through shipbrokers, resulting in the charter of a ship.

FLT (Full Liner Terms)

Freight rate qualifier indicating that freight covers the ocean carriage and the cost of cargo handling at the loading and discharging ports, according to the custom of those ports; this varies widely from port to port. For instance, in some ports, freight excludes all cargo handling costs; while in others, the costs of handling are included.

FO (Free Out)

Freight rate qualifier indicating that the cost of discharging cargo from the ship's hold is not included in the freight but is payable by the charterer or shipper. Often, daily rates of discharging and demurrage are incorporated into these contracts.

FOB (Free on Board)

A common sales term indicating that the seller is (1) responsible for delivering the goods to the agreed upon port of loading, and (2) for loading them on the ship. The risk of loss or damage to the goods generally passes from the seller to the buyer once the goods have been loaded on board the vessel.

FOB Charges

Are cargo handling charges levied on the shipper by the shipping line at the port of loading.

Force Majeure

Agreed upon circumstances, beyond the control of a contractual party, that may, according to the terms and conditions, relieve that party of liability for failing to execute the contract.

Forwarding Agent or Forwarder

Party that arranges for the carriage of goods and accompanying formalities on behalf of a shipper. A Forwarder (also known as a Freight Forwarder), for example, may book space on a ship, provide necessary documentation, and arrange Export Customs clearance.

FOW (First Open Water)

Period in Spring or early Summer when rivers, lakes, or seas have become sufficiently clear of ice for safe navigation.

Free Time

Having tendered notice of readiness, the period between the time a ship is ready to load or discharge, and the time that laytime begins per the charter party, during which the charterer is not obligated to load or discharge.

Freight Collect

Freight that is paid upon arrival at the destination, also commonly referred to as freight forward. As this poses a risk to the carrier, surcharges may apply.

Freight Prepaid

Freight that is paid before performance of the contract begins. Generally, once the bills of lading are signed, they are exchanged with the shipper for freight payment.

Freight Quotation

Estimation of freight given by a shipping line that is provided as an indication only.

Freight Rate

Price for the carriage of certain cargo. This price may depend on several factors including the nature of the cargo (weight and dimension) and distance traveled.

Freight Tariff

published schedule by a liner conference or shipping line, with freight rates for a variety of commodities likely to be carried; this also includes whether these rates are payable on the weight of commodity or its cubic measurement, and details of charges for heavy lifts, long length cargoes, and terminal charges. Apart from matters of rating, the tariff of a liner conference states the geographical areas served, the names of the member lines and the conference's general regulations.

Freight Ton

Freight rates are generally charged on a ton or cubic meter basis, whichever is greater. May also be referred to as revenue ton or cargo ton.

FRT (Freight)

Charge paid to a shipowner or carrier for the carriage of cargo. Under certain circumstances, freight may either include the cost of loading and/or discharging or may cover the ocean transport.

GA (General Average)

Legal principle apportioning financial responsibility for a loss resulting from the Intentional or voluntary act during the voyage to preserve the whole venture from a peril. General Average has been codified in the York Antwerp rules. Necessarily, all parties to the marine adventure pay a proportion of the amount of the loss according to the value of their interest.

Gencon

A general purpose voyage charter party published by the Baltic and International Maritime Council. The boilerplate clauses in the Gencon charter party can, and often are, amended to fit the particular voyage.

Gless (Gearless Ship)

A ship that is not equipped with her own cranes. Likewise when chartering a gearless ship for a voyage, it is critical to verify whether the loading and discharging ports have shore cranes capable of lifting up to the heaviest weight required by the ship's cargo.

Grain / Grain Capacity

Term referring to the cubic capacity of a ship's holds available for the free-flowing bulk cargo, like grain. Grain Capacity is often expressed in cubic feet or meters.

Gross Terms

A voyage charter on gross terms is one in which the shipowner pays for the full operating costs of the ship.

Groupage Bill of Lading

A bill of lading issued by a carrier to a freight forwarder covering consignments from multiple shippers destined for the same port and consolidated into one consignment. At the discharge port, each receiver gets a house bill of lading from the freight forwarder covering his consignment.

GT (Gross Tonnage)

Measure of a ship's total of all enclosed or internal volume that is often expressed in tons. This is sometimes referred to as GT, gt, or GRT.

Hague Rules

Also known as the International Convention for the Unification of Certain Rules of Law relating to Bills of Lading, govern the carriage of goods by sea. They identify the minimum rights and responsibilities of carriers and owners of cargo. The rules were published in 1924 and given the force of law by many countries.

Hague-Visby Rules

International rules governing the shipment of goods that amend and update the Hague Rules. These rules govern the rights and responsibilities of the carrier and shipper.

Hamburg Rules

International rules governing the shipment of goods which may be incorporated into a contract for the carriage either by prior agreement of the parties or by operation of law. The rules were adopted by the United Nations Convention on the Carriage of goods by sea in 1978 as an attempt to equalize the rights of developing countries.

Harbor Dues

Charge levied by a port authority against a shipowner or operator for the services connected with the use of a harbor. Also known as port dues.

Head Charterer

Charterer whose contract is direct with the shipowner in respect of a ship that is being chartered out and then sub-chartered - perhaps several times.

Hire or Hire Money

Compensation by a charterer to a shipowner for the use of a ship taken on time charter. Hire may be paid, for example, on a daily or monthly basis. Hire is generally paid in advance; if not paid on time, under some circumstances the shipowner may have the right to withdrawal from the contract.

Hire Statement

Statement breaking down the amount of hire money owed by a charterer to a shipowner. Charterers may be entitled to deductions for items disbursed on behalf of the shipowner or under the responsibility of the owner, for example, off-hire periods, cash to the master, and claims that rightfully fall under the responsibility of the shipowner.

Ho. (Hold)

Storage area below the deck of a ship generally used to carry various types of cargo. If a ship has more than one hold, they are numbered consecutively. The holds are accessed by opening the hatch covers.

House Bill of Lading

Bill of Lading issued by a freight forwarder to a shipper covering a cargo shipment. Here, the shipper will be the actual shipper, as opposed to the master bill of lading where the forwarding agent will be the shipper.

Husbandry Agent

An agent for shipowners that is often tasked with general agency authority. The Husbandry Agent may attend matters concerning vessel crew, repairs, supplies, provisioning and classification society surveys.

Ice Clause

Prior agreed upon term in a bill of lading or charter party that stipulates the options if ice inhibits navigation. The terms vary from clause to clause; for example, the master may have the right to divert the ship to the nearest safe port, or the charterer may have the option of waiting for ice conditions to clear upon payment of demurrage.

Identity of Carrier Clause

Clause in a Bill of lading stipulating who the carrier is, to clarify whether the bill of lading is a shipowners' or charterers' bill of lading.

Incoterms

Also known as International Commercial Terms, are pre-defined commercial terms/rules used in international trade and accepted by governments globally. The International Chamber of Commerce published the Incoterms.

Indemnity

Security offered by one party to another as protection against the consequences undertaking a particular act or omission. Indemnities usually are generally memorialized in writing. They are, however, unenforceable in a court of law if the act for which it is given is intended to defraud an innocent third party.

Inducement

An agreement that a ship will call a particular port only if the minimum quantity of cargo or freight make it worthwhile. In other words, enough cargo to justify the voyage.

INL (Institute Navigating Limits)

Geographical boundaries, determined by the Institute of Chartered Underwriters in London, within which a ship may navigate without incurring additional insurance premiums.

Intaken Weight

The true weight of cargo that is loaded on board a ship.

Interclub Agreement

Mechanism to apportion liability for loss and damage to cargo carried on ships chartered under a New York Produce Exchange (NYPE) or Asbatime charter parties between Owners and Charterers.

Interim Voyage

Intermittent Voyage by a ship scheduled between the time she is chartered for a particular voyage and the performance of it.

Joint Survey

Simultaneous inspection performed by surveyors in the representation of their respective parties.

Jurisdiction Clause

Contractual clause stipulating that any dispute between the parties arising from the contract be resolved in a court of law, rather than arbitration. It also specifies the agreed country of valid jurisdiction, in other words, the authority to administer justice.

L/C - (Letter of credit)

Assurance from a bank on behalf of a an importer to pay the seller a specified amount if the seller submits the documents required by the bank.

Laycan

An abbreviation for “Laydays and Cancelling” is a period during which the shipowner must tender notice of readiness to the charterer indicating the ship’s arrival and readiness at the port of loading. If the ship arrives before the beginning of Laycan, the charterer is not obliged to commence loading until the first date and may have the option of canceling the charter if the ship arrives after the final date, known as a canceling date.

Laydays

Days allowed by the shipowner or Carrier to the voyage in which to load and/or discharge the cargo without incurring demurrage charges.

Laytime

Amount of time provided by the shipowner or carrier to the voyage charterer in which to load and/or discharge the cargo. This time is generally expressed in days, hours, or as a number of tons per day. The charter party typically contains a provision for the commencement of laytime. A provision may also be included for periods when laytime does not count, for instance during lousy weather, weekends or holidays.

Letter of Indemnity (LOI)

Signed document by a party undertaking to compensate or indemnify another for the costs and consequences of carrying out a particular act or omission. For instance, a shipper who has been delayed in sending an original Bill of lading to the receiver may request that the master of the ship release the goods to a named third party without production of an original Bill of lading. If the master agrees he may require an LOI from the shipper for the consequences of complying - should it turn out that the named party is not entitled to take delivery of the goods. It should be noted that, as a rule, any LOI seeking to indemnify against an act or omission intended to defraud a third party, is unenforceable in court.

Lien Clause

Clause in a voyage charter party allowing the shipowner or carrier, in possession of the goods, to exercise a lien. Put differently, to retain physical control over the cargo until any freight, deadfreight or demurrage is paid.

LIFO (Liner In Free Out)

Freight rate qualifier indicating inclusiveness of the sea carriage and the cost of loading, but excluding the cost of discharging. Laytime and demurrage provisions may be included in the discharge port because the carrier lacks control over the discharge operations.

Liner Bill of Lading

Shipping line’s bill of lading terms and conditions.

Liner Waybill

Also known as a seaway bill, is a document, issued by a carrier to a shipper, serving as receipt for the goods and evidence of the contract. A Liner waybill has similarities to a bill of lading, but it does not constitute title over the goods. Because Liner Waybills are not negotiable, they are not accepted by banks as collateral for security. A waybill may be used to avoid delays to a ship when the bills of lading have not arrived at the discharge port.

LT (Liner Terms)

Freight rate qualifier indicating that freight includes ocean carriage and the costs of cargo handling at the load and discharge ports.

Manifest

Document with a full list of the ship's cargo. An outward manifest is lodged with Customs authorities at the port of loading; an inward manifest is lodged at the discharge port - with one copy going to the ship's agent so that the unloading of the ship may be planned in advance.

Max

Maximum.

Min

Minimum.

Min/Max (Minimum/Maximum)

When qualifying the contractual quantity in a voyage charter, this term signifies that the freight is payable on that precise quantity, no more and no less.

Mis-description

Incorrect information concerning a ship was given by the shipowner to a charterer. Alternatively, incorrect information concerning cargo was given by a charterer or shipper to a shipowner or shipping line. These situations may give rise to a claim for extra costs or damages or, in some cases, cancellation of the contract of carriage.

MOL

More or Less.

Molchop (More or Less in Charterer's Option)

Choice provided to a voyage charterer, in a contract, to load a percentage of cargo over or under a specified quantity. This choice is useful if the charterer is not sure of the exact quantities available for loading.

MOLOO (More or Less in Owner's Option)

Choice provided to the shipowner or carrier to carry over or under a certain quantity of cargo specified in the voyage charter.; this is useful if the owner or carrier is uncertain what the ship's cargo capacity will be upon loading.

More in dispute if on board to be delivered

Notation made on a bill of lading if the shipper disputes the tally of cargo quantity on board the ship.

Off Hire

When a ship is on time charter, but hire is ceased for a particular period, for example, because of the breakdown of the ship or her equipment. Generally, a time charter party explicitly lists events that constitute off-hire and any remedies. Off-hire clauses are typically either net loss of time or period off hire clauses.

Off Hire Survey

Survey that takes place at the time a ship is redelivered to determine whether the ship is in the same condition, wear and tear excepted, as on delivery. One surveyor typically inspects the ship for each of the two parties.

OO (In Owner's Option)

Common charter party term indicating that the shipowner or carrier has a choice in certain circumstances. For example, in a voyage charter, the owner may have the option of specifying the exact quantity of cargo to be loaded.

Original Bill of Lading

Bill of Lading with the original signature of the master of a ship or his agent and exchanged for the goods at the appropriate discharge port.

OSB (One Safe Berth)

See safe berth.

OSP (One Safe Port)

See safe port.

OT

Overtime.

Outturn Report

Also known as a damage report, is a written statement by the stevedores on the condition and quantity of the cargo discharged.

Outturn Weight

Weight of cargo taken once it is discharged from a ship.

Overage

Cargo discharged over the quantity on the ship's manifest and bill of lading.

Overlap

Term for when a charterer retains a vessel beyond the stipulated period of the time charter.

Owners Agents

Agent nominated by the Owner's and acting on their behalf.

Owners' Broker

Broker acting on behalf of a shipowner in negotiations leading up to the chartering out of the owner's ship.

Paramount Clause

Also known as a clause paramount, may be included in a bill of lading or charter party to ensure that the governed by the Hague / Hague-Visby Rules, or enactment of these rules in the country with proper jurisdiction over the contract.

Part Cargo

Describes a cargo smaller than full vessel load.

Performance Clause

Clause often included in a time charter party indicating that a ship should be able to perform at an agreed speed and efficiency. Otherwise, the charterer may be able to recover damages – generally by deducting the amounts from hire payments.

PFT (Per Freight Ton)

see freight ton.

Post Fixture

After a contract for the charter of a ship is fixed, post fixture includes, hire payments, demurrage and/or despatch calculations and the resolution of potential disputes.

Pro Forma Charter Party

Pre-drafted charter party terms with all the terms and conditions of a contract between a shipowner and charter. This document may, and is often amended to fit the specific needs of the contracting parties.

Pro Forma Disbursements Account

Document containing estimated expenses that are likely to incur by a shipowner before calling a port. These expenses may include, port charges, towage, agent's commission and pilotage.

Protecting Agent

Agent acting on behalf of owners or charterers to supervise the work carried out by another party's agent. For instance, if the charter party states that owner's agent is to be appointed, the charterers may have an interest in appointing a protecting agent to supervise and protect their interests at the port. This logic also applies to owners.

Protective Clauses

Clauses in a charter party that contemplate generally unforeseeable circumstances, like, strikes, general average, or collision.

Rate of Demurrage

A form of liquidated damages agreed between a voyage charterer and shipowner for each day used to load and/or discharge the cargo more than the laydays provided in the charter party.

Rate of Discharging / Loading

Quantity of cargo discharged or loaded each day to or from a ship.

Received for Shipment Bill of Lading

Type of bill of lading that indicates that the goods are in possession and care of the carrier, but not loaded on board the ship. A received for shipment bill of lading also a document of title and provides evidence of the contract of carriage. Banks may not accept this kind of bill of lading as collateral.

Receiver

Party who takes possession of the cargo at the agreed upon destination.

Redelivery Certificate

Document signed by the shipowner or its agent and the charterer, certifying the time, date and place of redelivery. The certificate also states the number of bunkers onboard at the time redelivery.

Redly (Redelivery)

Return of a ship to an agreed upon place, by a time charterer to the shipowner at the end of the charter period.

Release a Bill of lading (to)

Releasing or providing a shipper with the original bill of lading; this is often done in exchange for payment of freight.

Reversible Laytime

A term providing that any time allowed during loading, may at charterers option, be used instead as time allowed at the discharge port when calculating demurrage or despatch.

RT (Revenue Ton)

Freight rate based on a ton or cubic meter of cargo. Round Voyage - Voyage consisting of two legs, where the ship completes its voyage in the same location it started.

Running Days

Two consecutive 24-hour days, including weekends and holidays.

SB (Safe Berth)

A common term that places responsibility on the cargo interests to nominate a safe berth, including the arrival and departure from the berth, in the absence of abnormal circumstances. If good navigation and seamanship could have avoided the berth, then it will likely be deemed a safe berth.

SD

Single deck ship.

Seaworthiness

baseline requirements of a ship for a particular voyage with a particular cargo. The main necessities for seaworthiness are that a ship has sufficient crew, stores and fuel, the machinery and equipment are in good repair, and the ship is adequate to carry a particular cargo.

SHEX (Sundays and Holidays Excepted)

Charter party term indicating that Sundays and public holidays do not count for purposes of calculating laytime.

SHINC (Sundays and Holidays Included)

Charter party term indicating that Sundays and public holidays do count in the calculation of laytime.

Ship's Agent

Person or entity that protects the interests of a ship while she is in port. A ship's agent often arranges pilotage, towage and a berth for the ship. The ship's agent may also sign the bills of lading and collect freight.

Shipbroker

A shipbroker may be (a) a chartering agent or owner's broker that negotiates the terms for the charter of a ship; (b) a sale and purchase broker negotiates on behalf of a buyer or seller of a ship; (c) ship's agent, attends to a ship, her master, and crew at the port and on behalf of the shipowner; and (d) a loading broker finds cargo for a ship.

Shipped on Board Bill of Lading

Bill of lading issued once the goods are loaded on board the vessel. This bill of lading must also reference that the goods have been shipped on board.

Shipper

Person or entity that contracts with another party for the carriage of goods by sea.

Short Form Bill of Lading

Bill of Lading that lacks the full terms and conditions of the contract of carriage but instead contains a reference to the carrier's conditions. The reference may be to a terms and conditions document on the carrier's website.

Short Shipment

When cargo is listed on a manifest or bill of lading but not received by the proper party. In other words, when the quantity received by the Receiver is less than the quantity on the bill of lading.

Sim Sub. (Similar Substitute)

Ship offered by a shipowner or carrier to a charterer as a replacement for the one initially nominated ship. This replacement is generally similar characteristic, such as deadweight, capacities, and hold and hatch sizes.

Sister Ship

Ship with the same specification as another. A sister ship may be an option provided to a charterer by a shipowner who has two or more identical ships but is not sure at the time of negotiating the charter which will be in the most suitable geographical position to perform the voyage.

SP (Safe Port)

Common term in a charter party placing responsibility on the cargo interests to nominate a safe port for the ship to reach, remain and leave.

SSHIX (Saturdays, Sundays and Holidays Excepted)

Charter party term providing that Saturdays, Sundays, and public holidays do not count toward the calculation of laytime.

SSHINC (Saturdays, Sundays and Holidays Included)

Charter party term providing that Sundays and public holidays count toward the calculation of laytime.

Statement of Facts (SOF)

Statement, generally signed by the master, recognized by many courts as prima facie evidence of the date and time of the ship's arrival, and the commencement and completion of loading and discharging. The SOF details the quantity of cargo loaded or discharged each day, the hours worked and the hours stopped, including reasons for the stoppages, such as bad weather, strikes, or equipment breakdown.

Stem

Availability of a cargo on the date or dates on which a ship is offering to load. Strike Clause - Clause in a Bill of Lading or charter party that contemplates the available options if a strike prevents or delays any cargo operations. The wording of these clauses may depend on the individual contract and situation at the respective ports.

Sub-Charterer

Party in a charter chain in which the “head charterer” charters the ship to another charterer (sub-charterer). The head charterer will remain responsible for its contract with the owner of the ship. The head charterer may appear as owner in the charter between head charterer and sub-charterer.

Sub-Let

Also known as a sub-charter, is the chartering of a ship to another party who is not the owner but has the charter of the ship. Charter parties often contemplate a charterer’s right to sub-let the whole or part of the ship.

Sub. Details (Subject Details)

Condition to the conclusion of a contract for the charter of a ship. “Subjects” are typically minor details that are not yet agreed. A U.S. court has held that a contract accepted on condition of such minor details may conclude an agreement, with the details to be worked out later.

Sub. Free (Subject Free / Subject Open / Subject Unfixed)

When negotiating a contract, Sub. Free may be inserted into an offer by a shipper to signify that acceptance is contingent on whether a separate contract is concluded, prior to acceptance, with a third party.

Substitution

A shipowner or carrier may have the option to nominate a ship other than the one named in the charter party. This is often the case because when negotiating the contract, it may be difficult to anticipate which ship will be available to perform the voyage. Substitution is essentially owner’s right to replace the named ship with another.

SWL (Safe Working Load)

The maximum amount of weight that can be safely lifting mechanism, such as a crane. The safe working load for a piece of equipment is usually indicated on the equipment.

Tariff

Published rates charged by a carrier. For instance, the freight tariff of a shipping line would indicate freight rates, possibly for several types of goods.

TBN (To Be Nominated)

Used in place of a ship’s name when a specific ship has not been nominated.

Tender Notice of Readiness (to)

Document provided by the master to cargo interests, or their agent, providing notice that the ship has arrived and is ready to load or discharge. Some charter parties indicate parameters of when notice of readiness may be tendered.

TEU (Twenty Foot Equivalent Unit)

Common unit method of measurement in shipping, equivalent to one 20-foot shipping container. A 40-foot container is equal to two TEUs. This unit is often used, for example, to indicate the container capacity of the ship.

THC (Terminal Handling Charges)

Costs levied by a shipping company for handling of goods at the port.

Through Bill of Lading

Bill of Lading that covers multiple modes of transportation, often including ocean and inland transport.

Time Charter

The chartering of a ship and its crew, for a period of time from the shipowner; the charterer pays hire for the use of the ship. Time Charter parties set out the terms and restrictions to the time charter, including cargo type and quantity, accessible ports, offhire, etc. Responsibility for the technical operation and navigation of the ship stay with the master and owner. (See also Time Charter Party)

Time Charter Party

A contractual document setting out the terms and conditions between a charterer and a shipowner for the hire of a ship over a period of time.

Time Charterer

A person or entity that charters a ship for a period.

Time Lost Waiting for Berth to Count

A term that may be included in a charter party, which indicates that once Notice of Readiness is tendered, laytime will begin to count, even if no berth is immediately available.

Time reversible

Calculation of laydays, in a voyage charter partying, for both the load and discharge port. Time stipulated for loading or discharge is fungible.

Time to Begin on Arrival

A term that may be included in a charter party clause which indicates that laytime will begin to count immediately upon arrival at the load or discharge port.

Turn round Time / Turnround / Turnaround Time

The time it takes for a ship to arrive at port, complete all necessary operations, and sail. Turn Time – Amount of time a ship spends waiting for berth.

UCE (Unforeseen circumstances excepted)

Qualifying term in a charter party.

UU (Unless Used)

Term providing for a portion of time used to load or discharge cargo, during otherwise excepted periods.

V/C (Voyage Charter)

In a voyage charter, the charterer pays for the use of the ship's cargo space for one or more voyages. The terms of this contract are set out in a charter party. Under this type of charter, the shipowner or carrier is responsible for the operating costs of the ship.

Voyage Charter party

Contractual document for the carriage of goods by sea, outlining the terms between charterer and shipowner, for the use of the ship's cargo space.

War Clause

Clause that may be inserted into a bill of lading or charter party that sets out the master's options if the ship is put at risk because of war. Under these clauses, the master will never be required to put his ship at risk of harm.

WIBON (Whether in berth or not)

Provision that may be included in a voyage charter indicating that once a ship has tendered notice or readiness, laytime will begin to count, even if the ship is not in berth.

WICCON (Whether Customs Cleared or Not)

Provision that may be included in a voyage charter party indicating that once a ship has arrived in port and tendered a notice of readiness, laytime will count, even if the ship has not been customs cleared. WOG (Without Guarantee) - Qualification to a charter party term.

WIFPON (Whether in Free Pratique or not)

Provision that may be included in a charter party indicating that once the ship has arrived in port and tendered notice of readiness, lay time will count, even if the ship is in free pratique.

WIPON (Whether in port or not)

Provision that may be included in a voyage charter indicating that once a ship has tendered notice of readiness, laytime will begin to count, even if the ship has not reached the port. Generally, the ship must have reached the usual waiting place at the particular port.

Workable Crane

Voyage charter party term setting out the amount of time allowed for loading/discharging by the number of cranes available for use.

Workable Hatch

Voyage charter party term setting out the amount of time allowed to load and/or discharge, by dividing the quantity of cargo in the largest hatch by the quantity of cargo in accessible hatches.

Working Day

When work customarily takes place at a particular port.

Working Day of 24 Consecutive Hours

One working day equals one layday. A court held that a working day of twenty-four hours could be considered as more than one layday, depending on the port. Thus, “consecutive” was added to clarify.

Working Day of 24 Hours

A total of 24 working hours; if the particular port, for example, has a usual eight hour working day, then 24 hours would calculate to three laydays.

WP (Weather Permitting)

Voyage charter party term indicating that laytime will not count when weather conditions inhibit or prevent loading or discharge operations.

WTS (Working Time Saved)

Can also be referred to as “laytime saved,” is a common charter party term that allows for the deduction of laytime used from laytime allowed. For instance, if the contract provides for five laydays to load and the charterer only uses two, they are entitled to a despatch payment.

WWD (Weather Working Day)

If, at the particular port, work is typically carried out, laytime will count; that is, unless loading or discharge operations would halt because of bad weather.

WWR (When Where Ready)

Term used when determining the time and place for delivery and redelivery of a ship. This term is designed to make time and place unambiguous.