

## **"SARNIA NEWS" CIRCULAR**

(Ref: 285/15/NE)

TO ALL SHIPOWNER CLIENTS

11th November, 2015

### **Re: BIMCO "BUNKER NON-LIEN CLAUSE FOR TIME CHARTER PARTIES"**

Ship owners should be aware that if a time charterer ceases to operate, then not only will ship owners not be paid their hire, they could also be exposed to arrests of their vessels for claims by bunker suppliers who have not been paid. Working with BIMCO the International Group of P&I Clubs has helped draft a "Bunker Non-Lien Clause" for Time Charter-Parties. This requires the charterer, prior to ordering, to inform the sellers of the bunkers that the payment of the stem is only for charterers' account and neither the vessel, the owner, nor the Master is a party to the bunker supply contract; and that no lien, encumbrance or rights shall arise on or over the vessel. This is referred to as the Non-Lien Notice. The Clause further requires a Time Charterer to inform the Owners in writing of the name and contact details of the sellers of the bunkers and, if Owners so request, to provide Owners with a copy of the Non-Lien Notice given to the sellers. If charterers fail to follow Owners requests then Owners can refuse to allow the stem to take place, with any time lost and costs involved being for the charterers' account.

It is recommended that Owners incorporate the new standard clause into time charter-parties. The new clause is quoted below.

*Quote*

**BIMCO Bunker Non-Lien Clause for Time Charter Parties**

(a) The Charterers will not directly or indirectly suffer, nor permit to be continued, any lien, any encumbrance, or any rights of any kind whatsoever over the Vessel in respect of the supply of bunkers.

(b) The Charterers shall:

(i) prior to ordering any bunkers for the Vessel inform the sellers of the bunkers in writing (the "Non-Lien Notice") that the bunkers to be supplied to the Vessel are solely for the Charterers' account, and that neither the Vessel, the Owners nor the Master is a party to the bunker supply contract and no lien, encumbrance or any rights shall arise on the Vessel; and

(ii) after ordering bunkers inform the Owners in writing of the name and contact details of the sellers of the bunkers and, if the Owners so request, provide Owners with a copy of the Non-Lien Notice.

(c) If the Charterers fail to comply with sub-clause (b)(ii), the Master shall be entitled to refuse to allow the bunkers to be supplied to the Vessel and if the Master so refuses hire shall continue to accrue and any extra expenses arising out of or in connection with such refusal shall be for the Charterers' account.

(d) If in compliance with any of the provisions of this Clause, anything is done or not done, such shall not be deemed a deviation, but shall be considered as due fulfillment of this Charter Party by the Owners.

(e) As soon as possible after the due date of payment for bunkers for each supply made during the charter period, the Charterers shall provide the Owners with written evidence or acknowledgement of payment from the bunker sellers.

(f) The Charterers shall procure that this Clause shall be incorporated into all sub-time charters.

Unquote

Best regards,

Loss Prevention Team