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Gencon charter party form

What is charter party agreement. Gencon charter party word format. 3 types of charter party. Gencon 94 charter party word format.

GENCON is a standard voyage charter party. It is a general purpose agreement for the services of a ship in exchange for freight and can be used in a variety of trades. It is accompanied by its own bill of lading, CONGENBILL 2016. The latest edition of this contract is GENCON 1994. For Bulk Grain, we use the SYNACOMEX contract. GENCON consists of two main parts. GENCON "PART I" "PART I" is the box form that includes the main information of the voyage, which each time is agreed between the parties and completed accordingly. This information mainly includes the full style and contact details of the parties (owner/charterer/broker), the vessel's details (name and main description), the loading and discharge ports, the freight rate, the total laytime available to Charterers, the demurrage rate as well as the vessel's expected readiness and cancelling date. The boxes in Part I have their reference to Part II where they are further explained. GENCON "PART II" "PART II" includes the detailed terms and conditions which apply in each voyage fixed with the GENCON charter party and they are standard unless something different agreed in main terms, during fixing negotiations. This second part describes in detail the Owner's responsibilities in regards with vessel's condition, the detailed terms about the payment of freight, the laytime and demurrage as well as Owner's and Charterer's responsibilities on the loading & discharging costs.

Further conditions which are described in Part II of Gencon are related with the signing of bills of lading, vessel's deviation, general average, strikes and port's unsafety due to ice or warlike events. Copyright in GENCON 1994 is held by BIMCO. For all enquiries about cargo shipments, please use the Chartering Enquiry form. Contracts & Clauses Ships, ports & voyages Cargo Insight & info Trending Topics Training Events About Page 2 Background BIMCO's general purpose voyage charter party, codenamed "GENCON", is synonymous with BIMCO contracts. Since it was first developed in 1922, it has been considered BIMCO's flagship contract, and it is world-wide the most widely used voyage charter party in the dry bulk sector. The last revision was published in 1994. That revision was, to a large extent, triggered by some significant English court cases that cast doubt on the understanding and intention behind important clauses in GENCON 76 such as the General Strike Clause. The intention then was not to rewrite GENCON 76, but simply to clarify and update it where necessary. However, a lot has happened since 1994. The shipping industry has become much more complex and regulated, with both shipowners and cargo owners being subject to obligations that were never thought of in 1994. The drivers for revising GENCON 1994 were therefore somewhat different to those thirty years ago.

The subcommittee engaged in the revision of GENCON 1994 did, however, spend quite some time considering: should its work be limited to a modest revision, maintaining the familiarity of the charter? Or should it provide for a more prescriptive and comprehensive rewriting of the charter? The subcommittee, with the support of BIMCO's Documentary Committee, opted for the comprehensive approach. In an increasingly complex shipping environment, it was felt that many shipping companies with no "in house" legal support would find it helpful to have a charter party that addresses most of the relevant issues from the outset. The result is a new edition of GENCON that provides a solid commercial and legal basis for negotiation. And, as with many other contracts provided by BIMCO, it has been written in the clear and easily understood language that has become our hallmark. BIMCO would like to thank the drafting committee for their commitment to the project and their considerable time and effort in producing GENCON 2022. John Weale, Fednav (Chairman) Stephen Harper, BW Group Captain Qin Ling, COSCO Shipping/Captain Lin Huoping, COSCO Shipping Bulk Co Shotaro Aoto, Japan Shipping Exchange Olaf Schroeder, Oldendorff Carriers Basil Logothetis, Empros Lines Shipping Ann Shazell, Cargill Ocean Transportation Struan Robertson, Clarksons Paul Hirtle, ASDA Fulvio Carlini, FONASBA Magne Andersen, Nordisk Defence Club Helena Biggs, Gard Professor Richard Williams, School of Law, Swansea University BIMCO secretariat support was provided by Soren Larsen, Deputy Secretary General and Mads Wachter Kjergaard, Project Manager, Standards, Innovation & Research. As part of the development work, the drafting committee consulted a broad group of owners, charterers, P&I clubs & lawyers. BIMCO would like to thank them all for their support and valuable input. Page 3 Contracts & Clauses Ships, ports & voyages Cargo Insight & info Trending Topics Training Events About Contracts & Clauses Ships, ports & voyages Cargo Insight & info Trending Topics Training Events About IntroductionOverall structureScope of contract voyage and owners' responsibilitiesCargoLaytime and demurrageStandard BIMCO language and missed opportunitiesCONGENBILLIntroductionOn 25 October 2022, the Baltic and International Maritime Council (BIMCO) published an updated version of BIMCO's general purpose voyage charter party (GENCON), the most widely used dry bulk voyage charter party form worldwide. BIMCO also took the opportunity to update the accompanying GENCON's bill of lading (CONGENBILL).The update coincided with the 100th anniversary of the first version of GENCON and was the first revision to the form since 1994.As a result of both technological, regulatory and commercial developments, and new legal precedents, standard forms have to be revised in order to stay current. Such updates can sometimes be limited to addressing or clarifying narrow points. In this instance, the BIMCO drafting committee has approached the task with the more ambitious aim of developing the form to be a comprehensive bargain that does not require use of extensive additional rider clauses.The result of that ambition is a much more extensive form that sets out the parties' obligation in more detail and uses clearer language than before. While it remains to be seen how quickly the new form will be adopted - or how popular BIMCO's box-ready commercial compromises will turn out to be - it is not too early to say that GENCON 2022 contains several improvements that should be welcomed by both owners and charterers.Overall structureUsers of GENCON 1994 will find the 2022 form familiar and easy to navigate, despite some significant changes and a near doubling in length. The form continues with the "boxes and clauses" format now characteristic of BIMCO standard forms. There has been limited reshuffling of the clauses' order and much of the familiar language from previous versions has been retained.Scope of contract voyage and owners' responsibilitiesClause one has received reformatting that makes it easier to read. One significant change is that the existing obligation to commence the approach voyage "as soon as [the vessel's] prior commitments have been completed" is now subject to an exception if the vessel is "prevented or hindered by events beyond the Owners' control". This is a helpful clarification that avoids the harshness of the rule in Monroe Brothers Limited v Ryan that the general exceptions cannot be relied upon before the approach voyage has commenced. As such, owners will not be in breach of the rules if they are prevented from immediately departing from the previous discharge port (eg. due to tug strikes or blockages).On the face of it, the scope of the owners' responsibilities, as set out in clause two, have been significantly increased in the 2022 form. This clause had not materially changed since 1922 and pre-dated the Hague-Visby Rules, which meant that the clause provided owners with protection against loss, damage or delay to the cargo, but did not specify protection given in other events such as accidents or financial liabilities outside of the carriage of goods. The uncertainties of risk allocation between owners and charterers often caused parties to replace the allocation with other standards, most commonly by incorporating the Hague-Visby Rules through a clause paramount.In recognition of this, the new clause two has been amended to reflect the benefits that owners are afforded in the Hague-Visby Rules, including the important exceptions to carrier liability in article 4.2 and the 12-month time bar on claims in respect of carried goods. Similarly, the requirement for owners to exercise due diligence to make a vessel seaworthy and to take care of the cargo has now been aligned with the Hague-Visby Rules.Therefore, the new clause two avoids the need to include a clause paramount to ensure that the minimum requirements needed by protection and indemnity insurance cover are met and also avoids the confusion on how to apply owners' Hague-Visby obligations to non-cargo carrying voyages. Given time, this is likely to prove to be a popular development that achieves the aims of the clause paramount with much more straightforward language.CargoClause three is a new clause which regulates all aspects related to cargo during a voyage. Since the last revision of GENCON in 1994, the shipping industry has evolved considerably with increasingly extensive cargo and vessel regulations, such as the International Maritime Solid Bulk Cargoes Code. The new clause three aims to define and clarify the obligations between the parties in relation to risk and liability for damage to cargo during loading, carriage, stowage and discharge. Referencing specific types of cargo carried, such as bulk cargo, environmentally harmful cargo, or cargo not filling vessel holds completely, clause three is a welcome clarification for parties transporting various types of cargo and clearly sets out responsibilities for charterers and owners at various points in a voyage.The 2022 form also includes a new clause five, which specifically refers to cargo fumigation and makes it clear that this is at charterers' risk and cost. Since the previous 1994 form made no specific reference to cargo fumigation at all, this new clause should improve certainty for both parties when fumigation is required or desirable.Laytime and demurrageThe laytime provisions have been expanded significantly since the 1994 form. In the new 2022 form, laytime issues are divided into three sections:clause 10 (laytime);clause 11 (commencement of laytime); andclause 12 (the running of laytime).Historically, laytime and demurrage disputes under GENCON have been centred around ambiguities in the more economical wording of GENCON 1994, and it is hoped that the more expansive wording will decrease the scope for time-consuming disputes between parties.As a significant development, clause 10 incorporates the BIMCO Laytime Definitions for Charter Parties 2013. This expands the definitions of relevant terms and allows the form to be expressed with short terms (such as "working day") without the need for a separate definition to avoid ambiguity. A potentially significant consequence of this is that the BIMCO definition of demurrage is "an agreed amount payable to the owner in respect of delay to the vessel once the laytime has expired". Accordingly, under GENCON 2022, demurrage would arguably not be the only remedy owners can claim if they have also suffered other losses consequent on the delay such as cargo claims, regardless of the outcome in the pending Supreme Court appeal in the Eternal Bliss case on the meaning of demurrage in charterparties that do not define the term.Clause 11 deals with the commencement of laytime (subject to the early commencement of loading provisions in clause 9(d)), which is often a contentious issue among owners and charterers. The new version simplifies the question of when laytime commences by reference to the tender of a notice of readiness (NOR) and adopts detailed provisions in clause 9 dealing with common issues regarding the timing for serving the NOR. The separation of these questions will arguably make it easier to determine when the laytime regime starts. However, BIMCO has also introduced new complexity by making the commencement of laytime dependant on whether laytime is expressed as Sundays and holidays included or Sundays and holidays excepted without providing for a default choice if this is not specified.Clause 12 addresses issues associated with the running of laytime and time for completion of cargo documents and specifies special circumstances which will or will not be considered in the laytime. Clause 12(b), which states that charterers will be liable for delay in loading or discharging as a result of environmental or public health concerns, is the first in the GENCON form's history to refer directly to delay as a result of environmental issues.Standard BIMCO language and missed opportunitiesGENCON 2022 also includes or incorporates eight BIMCO standard clauses, either for the first time or in an updated version:the Electronic Bills of Lading Clause 2014;the Himalaya Clause 2014;the Ice Clause 2005;the International Ship and Port Facility Security Code Clause 2005;the Sanctions Clause 2020;War Risks Clause for Voyage Chartering (VOYWAR) 2013;the Piracy Clause 2013; andthe Law and Arbitration Clause 2020.While it is expected that this expanded suite of clauses will be welcomed, a better approach might have been to incorporate these clauses by reference and with wording to always incorporate the latest version. Having the full text set out may be better for readability, but it has the unfortunate effect of making forms fall behind developments sooner than might otherwise be the case. This is expected to be the case with the VOYWAR and Piracy clauses which are due for an update already in 2023.The suite of standard clauses also has some notable omissions, including the Automatic Identification Systems Switch-Off Clause and the Infectious or Contagious Diseases Clause. Both these clauses have received significant attention lately, and it is surprising to see a form aiming to be comprehensive that does not address these issues.BIMCO's decision not to include a slow steaming or virtual arrival clause also stands out as a missed opportunity. With the industry increasingly focused on finding ways to cut high fuel costs and improve on carbon-intensity, it is expected that a modern form might at least make some provision to encourage the parties to consider the most obvious way of doing so.CONGENBILLThe CONGENBILL is designed to be used with GENCON. Clause 19 of GENCON 2022 provides that bills of lading presented to the master will be "no less favourable to the carrier than those of CONGENBILL 2022".The CONGENBILL has been kept more up to date than GENCON and had revisions in 2007 and 2016. The amendments in the 2022 version are minor but represent clear improvements. Clause one now specifies that if the charterparty date is blank, the incorporated charterparty terms will be from the relevant voyage charterparty. Clause nine now expressly incorporates the law and jurisdiction clause of that charterparty and this is referenced on the front page.While none of these points change the position that already follows under English law, these clarifications should, in theory, reduce the frequency of jurisdictional conflicts because of different national rules and/or differing law and jurisdiction clauses in a chain of charterparties.For further information on this topic please contact Sebastian Sandtorv or Noor Khan at Wikborg Rein by telephone (+44 20 7367 0300) or email () or (). The Wikborg Rein website can be accessed at www.wr.no.