

Specification of Competency Standards for the Logistics Industry

Unit of Competency

1. Title	Use standard charter forms to formulate charterparty
2. Code	LOGGOM409A
3. Range	This unit of competency is applicable to shipping companies, charterers, ship brokers and sea freight operators. Practitioners should be capable to formulate charterparty according to the needs of the company and the situation of the market for chartering.
4. Level	4
5. Credit	6 (for reference only)
6. Competency	<p style="text-align: center;"><u>Performance Requirements</u></p> <p>6.1 Content of standard charter forms and legal practice</p> <ul style="list-style-type: none">◆ Understand the differences in scheduled liners and tramp shipping and their characteristics◆ Understand the function of charterparty in tramp shipping operation◆ Understand different types of ship chartering◆ Understand the source of the standard charter forms, relevant international organizations, the various types of forms and differences◆ Understand the positive and negative impact on shipping companies or charterers◆ Understand the relevant laws adopted for different standard charter forms◆ Understand the intention and the effect in use of the terms set in the forms◆ Understand the impact of modifying the terms◆ Understand the business operation, services and brokerage of ship brokers◆ Understand business law

	<p>6.2 Select and Use standard charter forms to formulate charterparty</p> <ul style="list-style-type: none"> ◆ Master the development of the chartering market and understand the relationship between the freight market development and the use of the standard charter forms ◆ Select and use charter forms to formulate charterparty according to the needs of the company ◆ Learn from different departments about past exposure to risks and liabilities for ship chartering and consider risk management and transfer solution; apply the charterparty terms to protect the interests of the company, including dispatch and demurrage and the sharing and the sharing of expenses between the ship owner and the charterer ◆ Appoint ship brokers to handle chartering on the company’s behalf ◆ Liaise with relevant lawyers specializing in handling charterparty disputes for legal assistance according to the situation, and define clearly the obligations and rights of both sides to protect the interests of the company ◆ Liaise with ship brokers and state clearly the company’s needs for chartering and revise if necessary ◆ Complete the standard charter form with information discussed and agreed by both parties; use rider clauses to protect the interests of the company
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7. Assessment Criteria	<p>The integrated outcome requirements of this unit of competency in respect of formulation of charterparty are:</p> <ul style="list-style-type: none"><li data-bbox="386 344 1481 595">(i) Capable to select and use chartering contract template to formulate charterparty; use proper wording to state clearly the rights and obligations of both parties so as to protect the interests of the company and comply with contract provisions according to different factors; and<li data-bbox="386 629 1481 770">(ii) Capable to appoint suitable ship brokers to handle ship chartering on the company's behalf according to the needs of the company and other factors of consideration.
8. Remarks	