

Specification of Competency Standards for the Logistics Industry

Unit of Competency

1. Title	Formulate time charterparty
2. Code	LOGGOM517A
3. Range	This unit of competency is applicable to shipping companies, charterers, ship brokers and sea freight operators. Practitioners should be capable to formulate a time charterparty according to the needs of the company, the situation of the market for ship chartering and other factors.
4. Level	5
5. Credit	6 (for reference only)
6. Competency	<p style="text-align: center;"><u>Performance Requirements</u></p> <p>6.1 Time charterparty</p> <ul style="list-style-type: none">◆ Understand the shipping operation, the characteristics of cargoes, port operation, geographical environment, etc.◆ Understand the differences in scheduled liners and tramp shipping and their characteristics◆ Understand the role of charterparty in tramp shipping operation◆ Understand different types of ship chartering and the characteristics of time charterparty◆ Understand the source of the standard template for time charterparty, relevant international organizations, the application and differences

	<ul style="list-style-type: none"> ◆ Understand the content of the standard template for time charterparty, including chartering period, state of ship, trading zone, fees, fuel, rent, surrender of ship, timely rent payment and termination of chartering; understand the positive and negative impact on shipping companies or charterers ◆ Understand the legal systems adopted for different standard templates for time charterparty ◆ Understand the impact of modifying the standard template for time charterparty ◆ Understand the business operation, services and fees of ship brokers ◆ Understand business law ◆ Understand common law ◆ Understand the current situation and trend of freight and chartering market ◆ Master good communication and negotiation skills <p>6.2 Select and use the standard template for formulation time charterparty</p> <ul style="list-style-type: none"> ◆ Analyze the development of the chartering market and understand the relationship between the freight market development and the use of the template of standard contract ◆ Select and use the standard template of charterparty for formulating time charterparty according to the needs of the company
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	<ul style="list-style-type: none"> ◆ Understand 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 the management of time loss on voyage and the sharing of expenses between the shipowner and the charterer ◆ Appoint ship brokers to handle ship chartering on the company's behalf ◆ Liaise with ship brokers and state clearly the company's needs for ship chartering and revise if necessary ◆ Complete the standard template for time charterparty ◆ Contract with information discussed and agreed by both parties; use supplementary wording and clauses to protect the interests of the company
7. Assessment Criteria	<p>The integrated outcome requirement of this unit of competency in respect of formulation of charterparty is:</p> <p>(i) Capable to select and use standard template for time charterparty after discussion and to formulate charterparty; state clearly in rider clause the rights and obligations of both parties so as to protect the interests of the company and comply with contract provisions.</p>
8. Remarks	