



LAYTIME AND DEMURRAGE: BEYOND THE BASICS

LAYTIME AND DEMURRAGE UNDER OIL AND GAS INDUSTRY SALE AND PURCHASE CONTRACTS

THE CHESTERFIELD MAYFAIR HOTEL - LONDON

LAYTIME AND DEMURRAGE: BEYOND THE BASICS

LAYTIME AND DEMURRAGE UNDER OIL AND GAS INDUSTRY SALE AND PURCHASE CONTRACTS



INTRODUCTION

This specialised course incorporates the practical knowledge and techniques required for the specialist professional discipline of analysing and calculating laytime and demurrage in oil and gas sales and purchase contracts.

Over the course of 2 days, course participants will learn the central concepts, principles, and techniques applied in practice - day to day - by a laytime and demurrage specialist working with oil and gas sales and purchase contracts. Upon completion, participants can perform the complex calculations required day to day.

This course benefits oil and gas industry laytime and demurrage claims personnel who negotiate and recover laytime and demurrage claims and anyone who has a responsibility for understanding and avoiding costly delays in the performance of an oil or gas contract including charterers, contracts departments, operators, post fixture executives and legal counsel.

Companies receiving our training will find that they will recover the investment in the course from the savings made on demurrage.

COURSE PARTICULARS

Date 25/26 September 2024

Length: 2 Days (09:00 to 17:00 both days)

Location: The Chesterfield Mayfair Hotel - 35 Charles Street, Mayfair, London, W1J 5EB

Cost: US \$2,000* per delegate

*Under current Excise regulations delegates from companies based in the UK are required to pay VAT.

FEATURES OF THIS COURSE

Asdem's course on sale and purchase laytime and demurrage is unique. It is the only one of its kind. It provides straightforward practical training on how to do the most challenging of laytime and demurrage analysis and negotiation. Such negotiations are the toughest because of the complexity and length of the contracts and because the negotiators are often experienced and from powerful oil company charterers.

The course explains the working of laytime and demurrage within the trade chain. The nature of the oil and gas trade and the structure and content of the special provisions and the general terms and conditions in the contract are explained. Participants are taught how to identify the contractual terms that apply to the analysis – an often overlooked and neglected skill set where conflict and inconsistencies of terms are common.

Then there is the sale and purchase contracts. With their extensive clause bank of general terms and conditions that apply, these are complex and demanding contracts which must be thoroughly analysed, understood and applied to do an accurate laytime and demurrage analysis.

The course features ten calculations and workshops. Delegates are taught to analyse the operation and its data points that are created for the calculation; the nominations of the product, the ship on which it is carried and how these data points and the entries inform the calculation work and the laytime and demurrage analysis. The calculations reveal close interplay between estimated times of arrival, notice periods and the physical arrival of the ship at the terminal and their impact on laytime and demurrage.

Ships may be early, or they may be late, there may be no product – factors which impact on the laytime and demurrage calculation when it occurs and which we analyse in class with workshop examples.

COURSE SYLLABUS

THE TRANSPORTATION OF OIL – THE VOYAGE CHARTERPARTY – FREIGHT AND VOYAGE ECONOMICS - THE LAYTIME ALLOWANCE AND THE FUNCTION OF VOYAGE CHARTERPARTY LAYTIME AND DEMURRAGE REGIME

THE TRADE CHAIN - OIL AND GAS TRADING/SALE AND PURCHASE OF PRODUCTS - THE LAYTIME AND DEMURRAGE REGIME IN SUCH CONTRACTS – THE LAYTIME AND DEMURRAGE TRIANGLE - THE BACK-TO-BACK PRINCIPAL - THE RELATIONSHIP BETWEEN THE CHARTERPARTY LAYTIME AND DEMURRAGE REGIME AND THE TRADE CHAIN REGIME – LAYTIME AS PER CONTRACT AND DEMURRAGE AS PER CHARTERPARTY RATE OR CHARTERPARTY RATE TERMS AND CONDITIONS - DEMURRAGE AS AN INDEMNITY FOR THE CHARTERPARTY CLAIM – DEMURRAGE AS A STAND- ALONE CONTRACTUAL OBLIGATION – THE DUTY TO PROVIDE A COPY OF THE CHARTERPARTY.

OIL SALE AND PURCHASE CONTRACTS – THE POINT OF SALE - COMMON DISPUTES AND DIFFERENCES OVER THE TERMS OF THE CONTRACT THAT APPLY TO THE LAYTIME AND DEMURRAGE CALCULATION - THE DEAL STRUCTURE, DEAL MAKING AND KNOWING THE DEAL - DAY TO DAY CONTRACTING IN THE OIL INDUSTRY – THE FUNDAMENTAL RULES FOR FORMING A SALES AND PURCHASE CONTRACT AND THE TERMS WITHIN THE CONTRACT – THE “FOUR CORNERS” PRINCIPLE – LAYTIME AND DEMURRAGE TERMS AGREED BY TRADERS IN THE RECAP - TERMS AGREED BY OPERATORS AND CONTRACTS STAFF – CORRECTLY UNDERSTANDING THE LAST SHOT DOCTRINE AND HOW IT APPLIES TO CRYSTALLISE THE LAYTIME AND DEMURRAGE TERMS – DEALING WITH COMMON INDUSTRY MISCONCEPTIONS.

TERMS OF THE AGREEMENT – UNDERSTANDING LAYTIME AND DEMURRAGE CONTRACT TERMS - THE CONSTRUCTION OF PRINTED AND TYPED CLAUSES – CHANGING THE DEAL - THE ROLE OF THE OPERATORS AND VARIATION, WAIVER AND ESTOPPEL - “WITHOUT PREJUDICE” AND “OFF THE RECORD”

TRADING OIL AS A COMMODITY THE TRADE TERMS AND TYPES OF CONTRACT AND THE SALE AND PURCHASE CONTRACT LAYTIME AND DEMURRAGE REGIME - FOB: “FREE ON BOARD” - CIF: “COST, INSURANCE AND FREIGHT” - CFR: “COST AND FREIGHT” - DAP: “DELIVERED AT PLACE” (FORMERLY KNOWN AS DES “DELIVERED EX SHIP”) – DAT “DELIVERED AT TERMINAL - OUTTURN CONTRACTS - HYBRID OIL AND GAS SALE AND PURCHASE CONTRACTS - CIF DELIVERED - CIF WITHOUT GUARANTEED LOADING DATES - CIF DELIVERED WATERING DOWN PROVISIONS.

OIL COMPANY GENERAL TERMS AND CONDITIONS AND COMMON CLAUSES – A REVIEW OF BP GTCS 2007 AND 2015 SHELL GTCS 2010 TOTAL AND EQUINOR GENERAL TERMS AND CONDITIONS – SIMILARITIES AND DIFFERENCES – MASTER SALES AGREEMENTS – ADDITIONAL TERMS AND SPECIAL CLAUSES.

LAYTIME ALLOWANCES – USE OF LAYTIME – DEMURRAGE - DEMURRAGE AS PER CHARTER PARTY RATE, TERMS AND CONDITIONS - DELIVERY DATES AND LAYCAN PROVISIONS - PHYSICAL AND LEGAL DELIVERY OF CARGO – UNDERSTANDING WHEN DELIVERY OCCURS – APPLYING DELIVERY DATES – FIXED DELIVERY DATES – HOW TO IDENTIFY FIXED DELIVERY DATES AND THE IMPORTANCE OF DOING SO - DELIVERY WITHIN A REASONABLE PERIOD OF TIME.

ESTIMATED TIMES OF ARRIVAL AND SALE AND PURCHASE LAYTIME AND DEMURRAGE – INACCURATE ETAS AND FAILURE TO GIVE OR MISSING AN ETA AND ITS EFFECT.

NOTICE PERIODS AND NOMINATIONS – NOMINATIONS AND CHANGING THE NOMINATION AND LAYTIME AND DEMURRAGE - PRINCIPLES THAT APPLY TO THE COMMENCEMENT OF LAYTIME UNDER SALE AND PURCHASE CONTRACTS – THE START OF LAYTIME – THE CONCEPT OF ARRIVAL UNDER THE SALE AND PURCHASE CONTRACT AND THE RELATIONSHIP TO THE ARRIVAL OF THE VESSEL AND THE PRODUCT – VESSEL NORS AND SALE AND PURCHASE NORS – WHEN AND HOW THEY APPLY.

PRO RATING TIME UNDER OIL INDUSTRY SALE AND PURCHASE CONTRACTS - PRO RATING LAYTIME AND DEMURRAGE ACCORDING TO THE CONTRACT TERMS (WHEN THE CHARTERER HAS BOUGHT FROM OR SOLD TO MORE THAN ONE SUPPLIER OR RECEIVER) - PART CARGO DELIVERIES – APPORTIONING TIME – HOW MUCH TIME ARE YOU RESPONSIBLE FOR?

THE COST OF DELAY AND WAITING TIME – WAITING TIME AT OR OFF THE PORT – THE IMPLIED CONTRACT FOR REASONABLE REMUNERATION – THE COST OF ADDITIONAL OPERATIONS – DELIVERY IN ONE LOT PROVISIONS AND TAKING DELIVERY IN TWO LOTS - DISCHARGE AT ADDITIONAL BERTHS OR INVOLVING ADDITIONAL TIME AND COST – DAMAGES FOR DETENTION UNDER SALE AND PURCHASE CONTRACTS - THE AMOUNT OF DAMAGES FOR DETENTION - WAITING AND CHANGE OF ORDERS - DOCUMENTATION FOR CLAIMS - INDEMNITY PROVISIONS

DISCHARGING OPERATIONS – LIGHTERAGE – PUMPING – PUMPING PERFORMANCE CLAUSES - THE EFFECT OF SLOW PUMPING - PUMPING PERFORMANCE CALCULATIONS – THE IMPORTANCE OF AND UNDERSTANDING PUMPING LOGS – SHIP AND SHORE STOPPAGES – PUMPING PERFORMANCE CALCULATION AND WORKSHOP.

EXCEPTIONS TO THE COUNTING OF LAYTIME OR TIME ON DEMURRAGE IN OIL AND GAS SALE AND PURCHASE CONTRACTS – SCOPE OF EXCEPTIONS CLAUSES AND HOW EXCEPTIONS APPLY - WEATHER & STRIKES – CONGESTION - DIRECT AND INDIRECT LOSS OF TIME – THE ROLE OF EVIDENCE AND INVESTIGATING FACTS – LETTERS AND NOTES OF PROTEST – EFFECT OF FAULT IN PERFORMANCE ON COUNTING OF TIME – FORCE MAJEURE AND GENERAL EXCEPTIONS CLAUSES.

SALE AND PURCHASE CONTRACT TIME BARS AND RECOVERY OF DEMURRAGE – REVIEW OF TIME BAR CLAUSES DIFFERENCES WITH CHARTERPARTY CLAUSES - AND SIGNIFICANT CASE LAW – INSTRUCTOR LED CASE STUDIES AND WORKSHOP.

PRACTICAL ASPECTS - INFORMATION AND DOCUMENTS NEEDED FOR THE LAYTIME AND DEMURRAGE CALCULATION - THE RATE OF DEMURRAGE - CAN DAMAGES BE CLAIMED IN ADDITION TO DEMURRAGE? - WHAT DOES THE DEMURRAGE RATE INCLUDE? – DETENTION – THE FORMAT OF THE CALCULATIONS - WHERE TO GET THE INFORMATION NEEDED – STATEMENTS OF FACT AND BURDEN OF PROOF – THE BEST EVIDENCE RULE - TIME BARS - CHARTER PARTY TIME BARS - CONTRACTUAL TIME BARS - TIME BARS INCLUDED IN COMPANIES' GENERAL TERMS AND CONDITIONS (GT&C) - STATUTORY TIME BARS - TIME BARS AND DOCUMENTATION FOR DEMURRAGE CLAIMS - MAKING A PROFIT FROM DEMURRAGE CLAIMS - AVOIDING UNNECESSARY DISPUTES IN TRADING CONTRACTS.

PRESENTER

Andrew Wilding is the Managing Director of Asdem, and a maritime lawyer qualified to practice law professionally in England (1988) and Hong Kong (1989) and as Counsel in Singapore. He has over 40 years' experience in shipping and trading law and is recognised internationally as a legal and commercial expert in the operation of oil industry sale and purchase and charterparty contracts and laytime and demurrage. Andrew advises ship owners, ship managers, charterers, national oil companies, oil majors, multi-national oil and product trading companies, and their insurers. Whilst in professional practice Andrew appeared before the English House of Lords, The Privy Council and The Court of Appeal and High Court as well as arbitration tribunals throughout the world including Japan, Korea, Hong Kong, Singapore, India, Malaysia, Paris, London, and New York.

In 2008 Andrew left professional practice and joined Roger Sepkes at Asdem in London and set up Asdem's Singapore office to focus on working as a commercial and legal specialist advisor and consultant to the energy

industry. Following Roger's retirement in 2016 Andrew was appointed the Managing Director of Asdem and relocated to Europe whilst retaining responsibility for its office in Singapore.

Andrew is the industry advisor to the Naphtha Industry in Asia and organizes the annual Open Specification Form Naphtha meeting and travels frequently to chair industry meetings and discussion groups. Andrew is also responsible for drafting the general terms and conditions for the Naphtha trade in Asia and recently drafted new general terms and conditions terms for the trade of Naphtha in Europe.

Andrew is a visiting professor of English Maritime Law and has lectured for numerous academic and professional institutions in Japan, Korea, China, Singapore, Hong Kong, London, and the United States. He is the author of numerous published articles on Maritime Law and has contributed to several books for the oil and gas industry.

Andrew provides professional training services to the laytime and demurrage departments of oil and gas companies all over the world. He is frequently asked to act as an independent and objective expert to assist parties with an issue in dispute.

COURSE DISCOUNTS*

US \$100 early bird discount will be available for companies who register and make payment prior to the event.

US \$150 discount will be available to Asdem clients and delegates who have attended prior courses and conferences. Where 3 or more bookings are made by the same company a **US \$50 discount** will be applied for each delegate. **Two-course discounts:** delegates who also register for the Fundamentals of Calculation, Negotiation and Settlement of Claims (5 September 2024) or Laytime and Demurrage Beyond the Basics (18/19 September 2024) will receive a **\$450 discount**.

*Discounts are not cumulative. The largest discount that a delegate is eligible for will apply.

COURSE COSTS INCLUDE

The fee for this course includes refreshments, buffet lunch, morning and afternoon tea and coffee, event training manual, reference materials and a certificate of attendance.

The fee for each event does not include accommodation.

If you require accommodation, we will be happy to provide the contact information for the venue which is hosting this course. You may also contact us for a list of alternatively priced hotels conveniently located near the event venue.

REGISTRATION

You may register for this course by filling out the registration form on the last page of this brochure. Once completed, please return the form to info@asdem.com.

PAYMENT

Payment may be made via bank transfer or credit card. Once your completed registration form has been received, you will be issued an official invoice with full bank transfer instructions. Please contact us at info@asdem.com if you would prefer to pay by credit card.

Payment must be received no less than five working days prior to the event. Once payment has been confirmed, joining paperwork will be emailed to you.

CANCELLATIONS AND SUBSTITUTIONS

Cancellations must be received in writing no less than 10 business days prior to the event and will be subject to a 25% administration fee plus VAT, if applicable. It is regretted that cancellations after this date cannot be accepted, and your company will be liable for the full fee.

Delegate substitutions, however, may be made at any time. Please advise of any delegate substitutions as soon as possible by sending us an email at info@asdem.com.

COURSE ORGANISERS – ASDEM

ASDEM is the leading independent consultancy providing specialised services to the oil industry including all oil majors, major oil and chemical companies, international traders, tanker owners, charterers, brokers, and lawyers.

Our core area of expertise is in demurrage, detention, deviation, and other delay claims. ASDEM provides impartial and independent advice and assistance as an advisor on claims recovery and for cost effective oil industry dispute resolution, mediation and – only if necessary – arbitration. Our services are aimed at resolving disputes efficiently and fairly. Our primary objective is to find fair and commercial solutions aimed at negating costly and lengthy proceedings while preserving relationships. ASDEM offers an independent arbitration service that provides a fast, reliable, and cost-effective way to resolve disputes.

ASDEM also runs very practical training seminars on topics such as laytime and demurrage, oil operations, tanker chartering, loss control, refining, and more. We also advise on the drafting of standard form tanker charterparties, oil industry sale and purchase contract terms and conditions.

With an established and market-leading reputation in the oil industry, ASDEM can draw upon a team of experienced consultants to place in clients' offices – often at short notice – to complete special projects, clear backlogs of outstanding claims and set up and train claims departments.

In-house training can also be provided on fundamental and advanced laytime and demurrage, sale and purchase contracts, inspection, quality issues, petroleum technology, blending, oil operations, risk management and tanker chartering. Contact us at info@asdem.com for more details.



ASDEM 

COMPLEX PROBLEMS
understood

STRAIGHTFORWARD ANSWERS
provided

EFFECTIVE SOLUTIONS
achieved

SETTING STANDARDS
state-of-the-art education
and training for the oil and gas industry

ASDEM – INDEPENDENT AND IMPARTIAL ADVISERS AND PROFESSIONAL TRAINING SERVICES PROVIDER TO THE OIL AND GAS INDUSTRY



REGISTRATION FORM

LAYTIME AND DEMURRAGE UNDER OIL AND GAS INDUSTRY SALE AND PURCHASE CONTRACTS

25/26 SEPTEMBER 2024 - THE CHESTERFIELD MAYFAIR HOTEL - LONDON

COMPANY INFORMATION

Company Name: _____

Company Address: _____

Contact Name: _____ Contact Number: _____

Email Address: _____ VAT Number: _____

DELEGATE 1

Delegate Name: _____ Corporate Title: _____

Department: _____ Email Address: _____

Desk Phone: _____ Mobile Phone: _____

DELEGATE 2

Delegate Name: _____ Corporate Title: _____

Department: _____ Email Address: _____

Desk Phone: _____ Mobile Phone: _____

DELEGATE 3

Delegate Name: _____ Corporate Title: _____

Department: _____ Email Address: _____

Desk Phone: _____ Mobile Phone: _____

DELEGATE 4

Delegate Name: _____ Corporate Title: _____

Department: _____ Email Address: _____

Desk Phone: _____ Mobile Phone: _____

After completing the above information, please email back to us at info@asdem.com