

UK P&I CLUB



LP Bulletin

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Bulletin 1003 - 10/14 - Bulk Cargoes (Dry and Liquid) Shortage Claims - Iran

The Association has recently been advised of the potential for bulk cargo (dry and liquid) shortage claims at some Iranian ports.

According to the Iranian Customs Regulations, the acceptable method of determining the quantity of solid and liquid bulk cargoes is by draft/ullage survey. This differs from many other countries where outturn is determined from shore measurement. Despite the implementation of the trade allowance of 0.5% by the Iranian customs authorities, this has been challenged by cargo receivers and has even been rejected by some local courts.

Under the Iranian commercial and civil code, the carrier is liable for the cargo quantity stated in the Bill of Lading. Therefore, in case of any discrepancy between the B/L figures and the results of the draft/ullage survey performed by the receiver's surveyor, the consignee can legally claim against the carrier.

Although in some B/Ls wording such as: **said to weigh** or **weight/quality unknown** is inserted, owners cannot rely on this as a protection against the receivers in the Iranian courts, despite the fact that the hold seals may have been intact prior to discharge.

The situation is further complicated by the current sanctions against Iran which make it difficult, if not impossible, for P&I Clubs to put up security (LOUs or Bank Guarantees). There are many cases reported in which the cargo receivers have filed lawsuits against the carrier based on the differences between the draft/ullage survey and the B/L figure. In these cases the local courts have ordered garnishment and subsequently the ships were arrested. They were only released after a Bank Guarantee for the amount of the claim was issued. Arranging this is often time consuming, expensive and causes unnecessary delays to the ship's departure.

In many of the reported cases the discrepancy in the figures arose from errors in the draft/ullage survey calculations made by the receiver's surveyor. Despite this, the owners had to pay the full claim amount in order to release the ship without further delays.

In view of the above, the Club recommends that owners, whose ships call at Iranian ports to discharge bulk cargoes, follow the advice below:

- Do not issue a clean B/L at the load port, if there is a difference between the ship and shore figures.
- Appoint a reliable surveyor to carry out a joint inspection together with the receiver's surveyor at the discharge port.

Source of information

Loss Prevention Department