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UK P&I Club issues guidance to Members on conflict in Yemen

UK P&I Club provides practical guidance in relation to contractual issues on the ongoing conflict in Yemen. Members are advised to contact the Club if they anticipate issues arising from contractual obligations on proceeding to Yemen. The following guidance addresses the key issues Members may face.

- **Owner refusal to go to a port in Yemen:** An owner may be able to refuse a charterer's order to go to a port in Yemen but this will depend on the terms of the relevant charter party and the terms of any war risk clause.
- **Discharging cargo at a port other than a named Yemeni port:** depending on the status of the port. If a named discharge port is closed, then the terms of the governing BoL and any charter party should be closely examined as the ship may have liberty to discharge cargo at an alternative safe port.. If the named discharge port is open, an owner may have contractual obligations to a third party receiver to deliver cargo there, failure to do so may leave the owner liable for a potential deviation claim or a claim for transshipment expenses under any BoL relating to the voyage.
- **Fighting nearby and the port is open:** If the port is open but there is fighting nearby this could pose danger to the ship and the terms of any BoL should be reviewed. If the bill contains a liberty clause or incorporates a war risks clause that allows Members to refuse to discharge cargo at a port exposed to a war risk, the owner may have the option to discharge cargo at an alternative port. Where a war risk clause or a liberty clause is not incorporated into the BoL or if the clauses are limited, refusal to discharge at a named port could lead to claims for misdelivery,
- **Deviating to another port:** Members should consider the liberty clause and/or war risks clause to determine if proceeding to another port is allowed. If the BoL terms incorporate a broad liberty clause or un-amended war risk clause, the act of going to a different port may not be considered a deviation when proceeding to the discharge port may expose the owner to war risks, and additional cover may not be necessary.
- **Told to avoid a port in Yemen:** Depending on the terms of the relevant charter party, a charterer may be able to order a ship to an alternative discharge port, to avoid potential liabilities for which the charterer may be required to indemnify the owner. If the charterer is not the BoL holder, this may pose problems for the owner who may have an obligation to deliver the cargo to the destination named in the BoL. In such circumstances, the owner would be advised to require an indemnity from the charterer in respect of the consequences of such a deviation in compliance with the charterer's orders.

- End -

For further details, please contact:

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Notes to editors

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