

RISKWATCH

February 2025

BEST PRACTICES AND RISKS
IN ONBOARD BLENDING AND
COMMINGLING OF LIQUID
BULK CARGOES

BALLAST WATER
MANAGEMENT

ENHANCING EMERGENCY
RESPONSE AT SEA

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Welcome to the first edition of Risk Watch in 2025.

With our industry continuing to experience major changes, the past year has highlighted the value of adaptability and forward thinking as technological advancements, regulatory shifts and evolving market demands shape maritime operations.

In this issue, we cover a range of topics impacting the sector today. From updates on ballast water management regulations to developments in legal frameworks surrounding charterparty disputes, our goal is to provide practical insights to support our readers.

Additionally, our contributors explore topics such as best practices for onboard cargo blending and the use of Automated External Defibrillators to enhance crew safety, offering strategies to address both current challenges and future preparedness.

We extend our thanks to the experts who have shared their knowledge and to our readers who continue to engage with and support Risk Watch. We hope you find this edition both insightful and thought provoking. As always, we welcome your feedback and ideas, please send them to: britanniacommunications@tindallriley.com.



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Editor

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AUTOMATED EXTERNAL DEFIBRILLATORS: ENHANCING EMERGENCY RESPONSE AT SEA

MUHAMMAD MAHADHIR,
LOSS PREVENTION
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AUTOMATED EXTERNAL DEFIBRILLATORS (AED) ARE PORTABLE DEVICES DESIGNED TO TREAT SUDDEN CARDIAC ARREST (SCA) BY DELIVERING AN ELECTRIC SHOCK TO RESTORE NORMAL HEART RHYTHM. THEIR ROLE IN IMPROVING SURVIVAL RATES HAS MADE THEIR ADOPTION AN INCREASINGLY CONSIDERED OPTION TO ENHANCE ONBOARD MEDICAL PREPAREDNESS.

FLAG STATE AND REGULATORY STANCE

Unless mandated by the flag administration (e.g., required in Germany¹, since September 2012²), carrying AEDs on board merchant ships remains optional for most flag states, with the decision to carry them depending on the shipowner's discretion or risk assessment for managing medical emergencies onboard.

THE ROLE OF AEDS IN SUDDEN CARDIAC ARREST (SCA)

SCA usually occurs unexpectedly and requires immediate intervention. AEDs can significantly increase survival rates when deployed within the critical 3-5 minute window³, with research⁴ indicating survival rates of up to 50%⁵.

KEY ADVANTAGES

- **User-friendly:** AEDs are designed for non-medical personnel, featuring voice prompts, visual cues and instructional posters to guide users
- **Survival potential:** Without AED intervention, survival rates for SCA are effectively zero onboard
- **Crew welfare:** Equipping ships with AEDs signals a strong commitment to crew safety and wellbeing.

FACTORS INFLUENCING EFFECTIVE USE

- **Training gaps:** While AEDs are designed for simplicity, familiarity and confidence, this can only be achieved through regular training and drills
- **Maintenance shortfalls:** Irregular upkeep can result in equipment failure during emergencies
- **Lack of guidance in real-time:** Shore-based healthcare providers can offer valuable support during AED use with regards to the correct application and subsequent post-event care.



FOR FURTHER INFORMATION

Please do not hesitate to contact the Britannia loss prevention team at lossprevention@tindallriley.com.

PRACTICAL CONSIDERATIONS FOR IMPLEMENTATION OF AED'S

1. STRATEGIC PLACEMENT AND ACCESSIBILITY

- Multiple units should be considered for larger ships to minimise response time
- AEDs must be stored in clearly marked, accessible locations.

2. MAINTENANCE AND READINESS

- Regular maintenance, including battery checks and electrode pad replacements as per the manufacturers recommendations/instructions
- Routine inspections, testing and diligent record-keeping ensure AED reliability
- Planned maintenance and inspections should be incorporated into the ship's Planned Maintenance System (PMS).

3. TRAINING AND INTEGRATION

- Crew must be trained in both AED use and cardiopulmonary resuscitation (CPR) for optimal effectiveness
- Emergency response procedures should integrate AED deployment into the ship's Safety Management System (SMS)
- Initial training by the manufacturer or supplier is recommended to align with device specifications. Refresher courses can be facilitated by accredited providers.

EFFECTIVENESS AND AFTERCARE

- AEDs are designed to analyse heart rhythms and advise whether a shock is necessary. Devices typically provide easily understood prompts to assist the user
- Proper aftercare is critical. If an AED successfully restarts a patient's heart, the crew must monitor the individual until shore-based medical assistance or medevac is available
- Limited medical training on board may affect post-resuscitation care. Healthcare providers emphasise the importance of real-time shore-based guidance during emergencies.

SHORE-BASED MEDICAL SUPPORT

Shore-based medical support systems are invaluable during onboard emergencies, particularly when AEDs are in use. Providers of remote medical support systems, such as International SOS⁶ and Telemedical Assistance Services (TMAS⁷), offer 24/7 support from qualified healthcare professionals. Ships should immediately contact their appointed onshore medical provider for real-time guidance to ensure proper AED deployment, CPR administration, and post-event monitoring and care.

LESSONS FROM REAL-WORLD CASES

Although cardiac events are rare on board, documented cases exist where AEDs have saved lives, particularly on passenger ships⁸. These examples demonstrate the practical value of AEDs and may be indicative of similar outcomes being achievable on merchant ships with proper planning and preparedness.

RECOMMENDATIONS FOR SHIPOWNERS WHO CHOOSE TO SUPPLY AEDS ONBOARD

- **Training and drills:** Ensure crew are trained in AED operation and CPR through accredited programmes
- **Maintenance programmes:** Establish regular checks, battery/adhesive pads (electrode) replacements, and record-keeping protocols
- **Medical support infrastructure:** Consider implementing shore-based medical support systems for guidance during emergencies (if not already done so)
- **Collaboration with service providers:** Engage equipment manufacturers for initial training and long-term maintenance support, supplemented with refresher training provided either by the manufacturer or preferred accredited training providers for further tailored support and recommendations.

While not mandated for all ships, AEDs represent a significant opportunity to enhance crew safety and emergency preparedness. Their user-friendly design, when paired with proper training, maintenance, and medical support, can make a critical, life-saving difference during cardiac emergencies. Shipowners are encouraged to assess the potential benefits of AED adoption and take proactive steps to ensure their ships are equipped and prepared to handle such scenarios effectively.

1. <https://www.deutsche-flagge.de/de/redaktion/dokumente/dokumente-sonstige/2024-01-09-tenth-notice-of-the-state-of-medical-requirements-in-maritime-shipping.pdf>
 2. <https://academic.oup.com/jtm/article-abstract/18/4/233/1805343>
 3. <https://www.aedcpr.com/articles/when-to-use-an-aed-recognizing-cardiac-arrest/>
 4. https://www.ahajournals.org/doi/full/10.1161/circ.102.suppl_1.i-60
 5. <https://www.ahajournals.org/doi/full/10.1161/CIRCULATIONAHA.117.029067>
 6. <https://www.internationalsos.com/sectors/maritime>
 7. <https://www.imo.org/en/OurWork/Safety/Pages/GlobalSARPlan.aspx>
 8. <https://www.martek-marine.com/wp-content/uploads/2023/10/How-to-survive-sudden-cardiac-arrest-at-sea-10.2023.pdf>



BALLAST MANAGEMENT

NEW RECORDING STANDARDS AND RECENT LESSONS LEARNED

RECORD KEEPING IS A VITAL PART OF COMPLYING WITH THE 'INTERNATIONAL CONVENTION FOR THE CONTROL AND MANAGEMENT OF SHIPS' BALLAST WATER AND SEDIMENTS, 2004' (BWM CONVENTION), AND AN AREA THAT IS SCRUTINISED OFTEN DURING PORT STATE CONTROL (PSC) INSPECTIONS. EXPERIENCE GAINED SINCE THE ADOPTION OF THE CONVENTION IN 2017 HAS SHOWN THAT APPROXIMATELY 70% OF PSC DEFICIENCIES RELATING TO THE BWM CONVENTION, HAVE BEEN CAUSED BY INCORRECT OR INADEQUATE RECORD KEEPING.

**ANTHONY GARDNER,
LOSS PREVENTION MANAGER, BRITANNIA P&I**

Identifying this record keeping issue, the International Maritime Organization (IMO) has substantially modified the existing Appendix II of the BWM Convention, providing a new format for the Ballast Water Record Book (BWRB). The full amendment can be found in Resolution MEPC.369(80). This new format must be used from **1 February 2025**. This expanded set of required entries provides greater detail for standard operations, whilst also adding new sections for when failures occur to a ballast water management system, or to accurately record ballast tank cleaning/removal of sediments. We encourage the review of circular BWM.2/Circ.80/Rev.1 as this contains comprehensive guidance on ballast water record keeping, and a substantial set of sample entries for the BWRB when considering various scenarios. This recent revision also now includes example entries for when Challenging Water Quality (CWQ) conditions are encountered.

Electronic record books are also allowed by the BWM Convention, and these come with obvious advantages when compared with paper-based systems. Previous guidance on the subject from the IMO was simply that an electronic record should at least contain all the information required in Appendix II of the BWM Convention. Now, to provide consistency and standardisation, from **1 October 2025** if an electronic system is to be used, it must be approved by the flag state administration (or recognised organisation if allowed). To assist in the approval process, Resolution MEPC.372(80) has been produced, and this contains the acceptable IMO performance standard. A ship-specific declaration should be issued and carried on board. We recommend obtaining compliance earlier than the date of enforcement if your flag administration allows this.

Electronic formats do not eliminate the requirement for a ship to retain records on board for a minimum period of two years after the last entry has been made. Additionally, these records must be maintained under the company's control for at least a further three years.

For the above changes, we recommend that the ballast water management plan is reviewed to confirm that any references to record keeping reflect the new requirements as applicable.

CASE STUDY

The Club has become aware of a recent occurrence, where a ship received a change in voyage orders and the new discharge port required a ballast water exchange to be carried out mid-voyage. Unfortunately, the ship had insufficient treatment chemical available for a further full ballast exchange in accordance with the D-2 standard. This meant the ship had to deviate from its voyage to obtain additional supplies of the treatment chemicals. It is recommended that spares and consumables required for the operation of a ballast water management system are added to the ships list of critical spares. Appropriate minimum stock levels should be identified, and replacements ordered when the stock reaches these levels.

Compliance with the BWM Convention continues to produce practical difficulties in application. Noting this, the IMO Marine Environment Protection Committee (MEPC) continues to work through a review of the convention, with a target of adopting all identified amendments by MEPC 85, planned to take place in Autumn 2026. The Britannia Loss Prevention team will continue to monitor changes and look to share information as and when it becomes available.

Key Takeaways

1. **New ballast water record book format from 1 February 2025.**
2. **Electronic record books must comply with the IMO standard by 1 October 2025.**
3. **Ensure ballast water management plans align with the new requirements.**

BEST PRACTICES AND RISKS IN ONBOARD BLENDING AND COMMINGLING OF LIQUID BULK CARGOES

IT IS COMMON FOR SHIPS TO RECEIVE REQUESTS FROM CARGO INTERESTS TO BLEND OR COMMINGLE LIQUID BULK CARGOES. THESE PROCESSES ARE OFTEN CARRIED OUT TO MEET SPECIFIC MARKET REQUIREMENTS, ADHERE TO REGULATORY STANDARDS, OR CUSTOMISE THE PRODUCT FOR END-USER NEEDS.

JOBIN MATHEW, LOSS PREVENTION OFFICER, BRITANNIA P&I

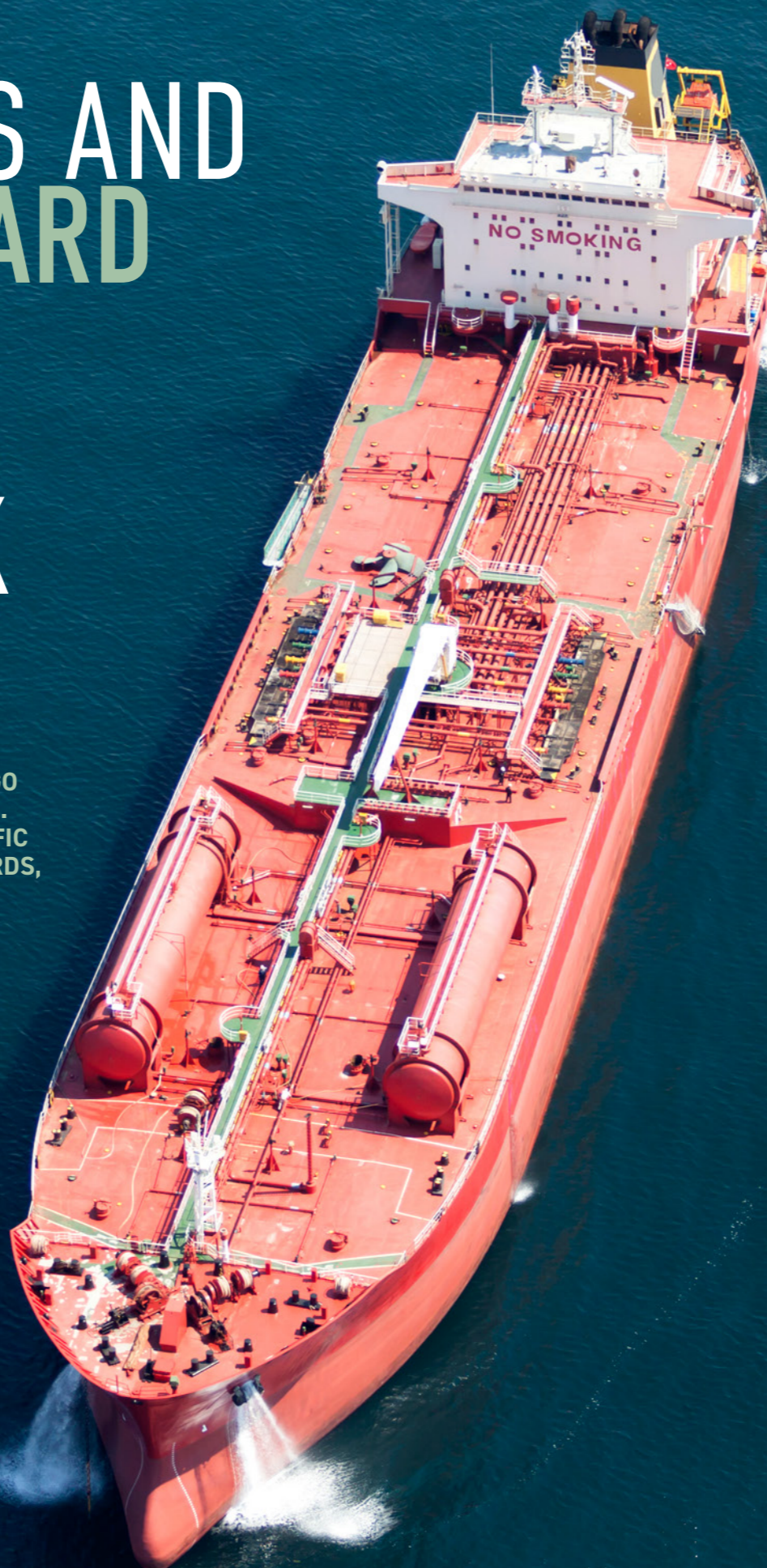
BLENDING OR COMMINGLING?

The terms 'blending' and 'commingling' are often used interchangeably in the shipping industry when two or more different parcels of liquid bulk cargo are loaded into the same cargo tank.

According to SOLAS Chapter VI, Regulation VI/5-2, physical blending is defined as 'the process whereby the ship's cargo pumps and pipelines are used to internally circulate two or more different cargoes with the intent to achieve a cargo with a new product designation'. Blending may also involve loading different products into the same cargo tank to achieve a new product with a new specification (a blend mixture), without the need for internal circulation using pumps or pipelines.

In contrast, commingling is the intentional admixing (loading on top) of different parcels of cargo, typically of the same grade, from one or multiple loading ports, in the same cargo tank without any segregation.

In summary, blending creates a new product description and specification by mixing different products, while commingling typically involves combining cargoes that already conform to a similar agreed specification. This process does not significantly change the properties of the cargo (e.g., converting an off-spec product to on-spec before delivery to the receivers).



ASSOCIATED RISKS

- Physical blending during sea voyages:** SOLAS Chapter VI Regulation VI/5-2 prohibits the physical blending of bulk liquid cargoes and production processes during sea voyages, effective 1 January 2014. However, this does not prohibit doping, dyeing, or cargo recirculation for temperature control and homogenisation. Blending at anchorage depends on the local administration's interpretation of 'sea voyage'.
- Final product not meeting specifications:** Blending cargo on board, other than physical blending, relies on the loading sequence, with heavier density cargo loaded first, followed by lighter density cargo to facilitate mixing and homogenising during the loading operation. Errors in volumetric loading can result in off-spec cargo when loaded into multiple tanks. Additionally, the ship's motion at sea can affect the blending process, making it difficult to achieve a homogeneous mixture on shorter voyages. Improper blending due to significant short loading at various sequences can lead to off-spec cargo.
- Inadequate sampling techniques:** Final samples taken after loading should be representative and taken at various depths using a zone sampler to reflect the correct status of the blending. Inaccurate sampling leads to unreliable outcomes.
- Calculation errors in product quantities:** Ensure each tank is loaded with the same volumetric proportion as the entire parcel. Variations in individual tank capacities, ship's trim, list, and stability requirements should be accounted for during stowage and loading planning, as they can affect the final product blend ratio.
- Bill of lading issues:** Cargo may be loaded from different ports, on different dates, or by different suppliers. Blending/commingling can impact the specifications of the cargo, and the carrier could be liable under previously issued bills of lading. The bill of lading should reflect the actual condition of the cargo and indicate any blending/commingling operations.
- Final density/API:** The final blended/commingled API/density used for cargo calculation will differ from the original individual API/density of the cargoes. This must be considered during calculations.

BEST PRACTICES

- Carefully review the charterparty for blending, commingling clauses and seek advice from the Club as needed.
- Blending / commingling falls outside the scope of a carrier's obligations under the Hague-Visby Rules. Seek advice from the Club on obtaining a Letter of Indemnity (LOI) from the shipper or charterer covering any liability, costs, and expenses incurred, including loss of time.
- Obtain the loading sequence from the shipper in advance and plan the loading operation accordingly.
- If the ship is involved in a shipboard blending operation, wherever possible, request the individual cargo component density for each sequence and the expected final density to be used for stowage planning and checks for draft restrictions.
- Ensure to obtain written instructions from the charterer for blending/commingling, signed by their representative.
- Request written confirmation from charterers/shippers that the buyers (i.e., receivers/ consignees) of the cargo are aware of and consent to the proposed blending/commingling.
- Whenever possible, load all nominated tanks evenly in terms of volume or in the same volumetric proportion as the entire parcel.
- The bill of lading should contain appropriate clauses accurately describing the nature of the operation and dates of loading.
- Sampling after the blending of bulk liquid cargoes on board is crucial to ensuring quality and consistency. Sampling should adhere to industry standards and guidelines, using appropriate equipment and procedures.

SEEK GUIDANCE FROM THE CLUB

Each instance of blending and commingling is different. Shipowners should seek guidance from the Club whenever such requests are received from the charterers, especially if any of these operations might prejudice the Club cover. They should bear in mind a Letter of Indemnity can be unenforceable. Agreeing to these operations based on a Letter of Indemnity is a commercial decision for shipowners to make.



THE IMPORTANCE OF PROPER TRIMMING FOR DRY BULK CARGOES LOADED BY SPOUT

STEPHEN HUNTER, FLEET MANAGER, BRITANNIA P&I

BRITANNIA P&I CLUB RECENTLY APPOINTED A SURVEYOR TO ASSIST A MASTER WITH THE LOADING OF A BULK ORE CARGO. THE LOADING WAS FAST, AND THE CARGO WAS POURED INTO THE HOLDS FROM A LOADING SPOUT.

UPON REVIEWING IMAGES OF THE LOADED CARGO AFTER THE SHIP HAD DEPARTED, IT BECAME EVIDENT THAT THE CARGO WAS PILED HIGH IN THE CENTRE OF THE HOLD AND HAD NOT BEEN "TRIMMED" TO THE SIDES.

REGULATORY REQUIREMENTS AND BEST PRACTICES

In the case study described the IMSBC code was the applicable reference. Section 5 of the code is devoted to trimming procedures and is mandatory. It specifies that all bulk cargoes should be trimmed 'reasonably level' in order to reduce the risks described above. For non-cohesive cargoes, trimming standards are determined by the calculated angle of repose.

Consideration should also be given to the charterparty, as this may stipulate the required method of trimming, especially for cargoes that require specific handling.

Section 5.1.3 of the IMSBC code is clear that "The master has the right to require that the cargo be trimmed level, where there is any concern regarding stability based upon the information available, taking into account the characteristics of the ship and the intended voyage."

Trimming is often performed at the end of discharge but when loading via a chute, spout, or conveyor it makes sense to avoid the cargo stream constantly pouring onto the same point in the holds. Best practice is for the loading arm to be initially positioned as close to the tank top as safely practicable, depositing a layer of cargo over the entire surface, before increasing the loading rate and raising the drop distance. Efforts should then be used to direct the loader to result in a more even cargo distribution. This reduces, or can even eliminate, the amount of trimming work needed to flatten the cargo surface at the end of loading.

COMMUNICATION AND SUPERVISION

Maximising the equal distribution of the cargo will require good communication with the shore loader. Therefore, to anticipate this requirement, it is recommended to raise it as a point at the ship-shore meeting with the terminal representative, and clarify how communication will take place during the loading operations.

This example also highlights the importance of maintaining supervision of loading operations by ships staff, and not simply rely upon a cargo surveyor. It remains the ship master's responsibility to ensure that the cargo is safely prepared for transport prior to departure.

The process of trimming is important for many reasons:

1. **Ship stability:** At sea, the ship and cargo will be subject to longitudinal and lateral forces. If the cargo piles collapse to one side, this can affect overall stability of the vessel due to the shift of weight and could endanger it
2. **Minimising air in the cargo:** Effective trimming will minimise the volume of air entering the cargo. The greater the amount of air within the cargo, the more likely it will be to self-heat, if relevant, such as for various Group B cargoes
3. **Weight distribution:** To ensure an even weight distribution across the tank top with respect to tank top weight limitations. In practice this means spreading the cargo as widely as practicable to the boundary of the cargo space to prevent excessive loading on the tank top (or tween deck if applicable)
4. **Regulatory compliance:** Trimming may be required by regulation, such as the requirements within the International Maritime Solid Bulk Cargoes (IMSBC) code or the Grain code
5. **Efficiency in discharging:** A properly trimmed level cargo will generally make unloading operations more efficient and reduces the likelihood of uncontrolled shifting during discharging operations.

RHINE SHIPPING DMCC V VITOL SA

COURT OF APPEAL CONFIRMS THAT CHARTERERS' INTERNAL HEDGING ARRANGEMENTS SHOULD NOT BE TAKEN INTO ACCOUNT WHEN ASSESSING DAMAGES FOR OWNERS' BREACH OF CHARTERPARTY (RHINE SHIPPING DMCC V VITOL SA [2024] EWCA CIV 5801)

DR MICHAELA DOMIJAN-ARNERI, ASSOCIATE DIRECTOR, BRITANNIA P&I

The DIJILAH was let by its disponent owners Rhine to Vitol, under a voyage charter, to carry a cargo of crude oil loaded at Djeno, Congo. Vitol had contracted to purchase the cargo from TOTS Total Oil Trading and under that contract was obliged to present the ship for loading within the vessel presentation range. Vitol subsequently placed several internal swaps to hedge against a rise in the price under the purchase contract.

Due to an unrelated dispute involving the ship's bareboat charterer, the ship was arrested at the previous load port and was delayed in arriving at Djeno, thereby failing to meet the agreed presentation range. As a result of the delay there was a significant increase in the price of the cargo under the purchase contract which was determined by the date on which the bill of lading for the cargo was issued.

Vitol subsequently made a claim against Rhine for the price difference of around USD3.6 million. However, given that Vitol's internal swaps were rolled to close later than the original pricing period once the ship was detained, the gain generated under Vitol's internal hedging system amounted to around USD2.8 million, resulting in a net internal loss of around USD800,000.

At first instance in the Commercial Court Rhine argued that any loss suffered by Vitol had been reduced by its internal hedging arrangements and the amount of the reduction was not recoverable. Rhine also contended that, in any event, the only recoverable loss was the loss that would have been suffered had Vitol hedged externally against losses.

Having decided that Rhine had been in breach of the charterparty, and that Vitol's damages were to be assessed

on the basis of the date when the cargo should have been loaded if there had been no delay, the court considered the effect of Vitol's internal hedging. The court ruled that the internal swaps were arrangements at Vitol whereby the profit generated by the rolling of the swap in one portfolio was reflected in a loss on a matched portfolio. The court found that the internal swaps had no impact on profit or loss as they were not recognised as legally binding contracts and were therefore not equivalent to external hedges. The court held that it was common for large traders like Vitol to manage risk internally rather than hedge risks externally such that Vitol's losses were not too remote and could be recovered. Moreover, while the court recognised that if the hedging had been external the benefit would have been taken into account, in this case the swapping had been carried out in the ordinary course of business rather than in response to Rhine's breach, and Vitol was therefore entitled to the proceeds.

Rhine appealed on the issue of how Vitol's hedging arrangements impacted the assessment of damages for the delay, especially the hedging of the purchase contract price. Rhine argued that the rolling of the swaps reduced Vitol's loss and should be factored into the assessment of damages because there was no material difference between internal and external hedging as the internal gain mirrored the benefit Vitol would have received from a third party if it had hedged externally.

The Court of Appeal dismissed the appeal and upheld the decision of the Commercial Court. The court took the view that because the hedging arrangements did not involve a legally binding contract or Vitol receiving a benefit from a third party, nor did they affect Vitol's profit and loss, they should not be taken into account when determining Vitol's recoverable damages.



MAERSK KLAIPEDA

CONTAINER WEIGHT DISCREPANCIES AND FRAUD – CARRIER'S OBLIGATIONS



IN A RECENT JUDGMENT, (*STOURNARAS STYLIANOS MONOPROSOPI EPE V. MAERSK A/S (MAERSK KLAIPEDA)* [2024] EWHC 2494 (COMM)), THE ENGLISH COMMERCIAL COURT HAS CLARIFIED THE EXTENT OF A CARRIER'S DUTIES IN ENSURING THE ACCURACY OF BILLS OF LADING USED TO FACILITATE A FRAUD BY THE SHIPPER OF GOODS ON THE RECEIVER.

COLIN CHUNG, ASSOCIATE DIRECTOR, BRITANNIA P&I

The shipper had purported to sell copper wire scrap to a consignee, for sea carriage in 22 containers from Dubai to Piraeus. However, instead of copper wire scrap, the containers were filled with worthless concrete blocks. After discovering the fraud, the consignee sought to recover its losses from the carrier, after being unable to enforce a judgment in Dubai against the vanished shipper.

The consignee alleged the carrier was liable for having issued clean bills of lading despite there being a large discrepancy between the container weights declared by the shipper and the verified gross mass (VGM) certificates for the containers issued by the terminal operator. The consignee contended that the

carrier should have cross-checked these weights, identified the discrepancies, and claused the bills to reflect them.

The consignee advanced three main arguments. Firstly, it argued that the carrier had failed to reasonably assess the “*apparent order and condition*” of the goods, as required under Article III Rule 3 of the Hague Rules, and should have noted the weight discrepancies. The consignee also alleged that the carrier had implied that it had no reason to doubt the accuracy of the shipper-declared weights, despite receiving contradictory VGM data. Finally, the consignee said the carrier had a duty to prevent its bills of lading being used as instruments of fraud when the carrier knew or should have suspected fraudulent declarations.

The carrier denied liability, arguing that at the time of the voyage (2019) VGM data was used solely for safety and stowage purposes and was not cross-checked with shipping documents. The carrier also relied on a “*weight unknown*” disclaimer in the bill of lading terms.

The court rejected the consignee’s claim. In relation to the alleged breach of Article III Rule 3 of the Hague Rules, the court stated that a carrier’s obligation to assess the “*apparent order and condition*” of goods is limited to an external inspection of the goods. For containerised cargo, weight discrepancies are not externally observable. The court also held that establishing the VGM for containers was intended for safety purposes, not to verify the accuracy of shipper-declared weights. In 2019 it was not standard practice for carriers to cross-check VGM data with shipping documents.

As for the “*weight unknown*” clause in the bill of lading, the court found that this term protected the carrier from liability, as it left no room for implied representations about the accuracy of the cargo’s weight. The court also noted that while a gross discrepancy might obligate carriers to investigate further, the carrier had no reason to suspect fraud in this case.

The court acknowledged that carriers could owe a duty of care to consignees if they are on notice of fraudulent activity, such as significant weight discrepancies. However, this claim failed on the facts, as the carrier did not have sufficient knowledge or suspicion of fraud at the time the voyage took place.

The judgment reinforces that a carrier’s obligation to assess the condition of cargo does not extend to verifying the accuracy of weights declared by the shipper. It also makes it clear that carriers should ensure their bill of lading terms expressly disclaim liability for shipper-provided data. The judgment highlighted the protective value of the “*weight unknown*” clause in shielding the carrier from negligent misstatement claims.

Although the carrier was not liable in this case, the judgment emphasised that since the time of this incident, the industry (including the carrier in this case) has adopted stricter practices. Many carriers do now cross-check VGM data and shipper-declared weights to detect discrepancies. A future claim may, therefore, succeed if carriers fail to act on obvious indicators of a potential fraud when advanced systems are in place. With that in mind, carriers should consider:

- i. Clausuring bills of lading or refusing to issue clean bills when clear discrepancies arise**
- ii. Improving their internal systems to flag and investigate inconsistencies in weight data**
- iii. Including VGM data alongside declared weights on bills of lading to alert consignees to potential issues.**

The judgment highlights the balance between a carrier’s limited inspection obligations and its potential liability in cases of container fraud. The ruling affirms the protections under the Hague Visby Rules but signals that evolving practices and technology may heighten a carrier’s responsibilities in the future.

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We hope you enjoyed this issue of Risk Watch. We are actively seeking ways to maintain and increase the usefulness, relevance, and overall appeal of our articles. If you have any ideas or comments, please send them to:

britanniacommunications@tindallriley.com