
Global Certificate in Ship Brokerage

Shipbroking Practice and Procedure

Affreightment (Time/Voyage)

- * Relates to the hiring of a vessel for the transport of cargo.
- * Time charter: the shipowner rents out the use of the ship for a specific period.
- * Voyage charter: the shipowner rents out the ship's cargo space for a single voyage.

Agency Agreement

- * A contract between a shipowner and a shipbroker, where the broker acts as the owner's agent for specific tasks.
- * Can include tasks such as negotiating freight rates, arranging cargo, or organizing repairs.

Agency Fees

- * Fees charged by a shipbroker for their services as an agent.
- * Typically calculated as a percentage of the freight rate or a fixed fee per service.

BIMCO (Baltic and International Maritime Council)

- * An international shipping organization that develops standard contracts and clauses for the shipping industry.
- * Provides guidance on various aspects of shipbroking, such as freight rates, charter parties, and ship sale & purchase.

Brokerage Commission

- * The fee earned by a shipbroker for their services.
- * Usually calculated as a percentage of the freight rate or the value of the ship or cargo.

Charter Party

- * A contract between a shipowner and a charterer for the use of a ship.
- * Outlines the terms and conditions of the charter, including the freight rate, route, and cargo details.

COA (Contract of Affreightment)

- * A long-term agreement between a shipowner and a charterer for the transportation of cargo.
- * Specifies the terms and conditions for multiple shipments over a defined period.

****Draft****

- * The vertical distance between the waterline and the bottom of the ship's keel.
- * Indicates the amount of cargo that can be loaded on a ship, as deeper drafts limit the ship's ability to enter shallow ports.

****Fixture****

- * The completion of a deal between a shipowner and a charterer.
- * Once a fixture is agreed upon, the terms and conditions are binding for both parties.

****Freight Forwarder****

- * A company that organizes the transportation of goods on behalf of shippers.
- * Works closely with shipbrokers, shipowners, and charterers to ensure smooth cargo movement.

****Freight Rate****

- * The cost of transporting cargo from one point to another.
- * Can be negotiated between the shipowner and charterer, and is often influenced by market conditions, such as supply and demand.

****GOO (Gas Oil Online)****

- * A pricing benchmark for marine gas oil.
- * Used as a reference for calculating bunker fuel adjustment factors in shipping contracts.

****LOI (Letter of Indemnity)****

- * A document issued by one party to another, promising to compensate for any losses or damages incurred.
- * Commonly used in shipbroking to cover risks associated with delivering cargo without presentation of original bills of lading.

****Laytime****

- * The amount of time allowed for loading or discharging cargo.
- * Typically specified in a charter party and can be influenced by factors such as port congestion or adverse weather conditions.

****Maritime Law****

- * The body of laws, conventions, and regulations that govern maritime activities.
- * Addresses issues such as contracts, torts, and jurisdiction related to shipping and navigation.

****NVOCC (Non-Vessel Operating Common Carrier)****

- * A company that offers cargo transportation services without owning or operating vessels.
- * Acts as a shipper and a carrier, often working with shipbrokers to arrange transportation.

****OBO (Ore-Bulk-Oil)****

- * A type of multipurpose vessel designed to carry dry bulk cargo, such as ore, and liquid bulk, such as oil.
- * Provides flexibility for shipowners and charterers in response to changing market conditions.

****Panamax****

- * A classification for ships that can pass through the Panama Canal.
- * Refers to vessels with a maximum beam (width) of 32.2 meters and a maximum draft of 12.04 meters.

****S&P (Ship Sale & Purchase)****

- * The process of buying and selling ships.
- * Involves negotiations between the buyer and seller, with shipbrokers often acting as intermediaries.

****Suezmax****

- * A classification for ships that can pass through the Suez Canal.
- * Refers to vessels with a maximum draft of 20.1 meters, allowing them to navigate the canal's shallowest points.

****TCE (Time Charter Equivalent)****

- * A measure of the earnings generated by a time chartered ship.
- * Calculated by multiplying the daily time charter rate by the number of available days and then subtracting operating expenses.

****TEU (Twenty-Foot Equivalent Unit)****

- * A standard unit of measurement for containerized cargo.
- * Represents the volume of a 20-foot long container, with one TEU equal to approximately 39 cubic meters.

****Voyage Estimate****

- * A detailed calculation of the costs and revenues associated with a specific voyage.
- * Includes items such as fuel, port charges, and crew wages, and is used to determine the viability of a voyage.

****Worldscale****



* A standardized system for calculating tanker freight rates.

* Provides a uniform basis for comparing freight rates, making it easier for shipowners and charterers to negotiate deals.