

OSV Chartering Contract Management Seminar

A REVIEW OF 'BIMCO SUPPLYTIME 2017' ONE YEAR ON



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In June 2017, the Documentary Committee of BIMCO formally agreed to adopt the revised version of Supplytime, to be named 'Supplytime 2017'.

Its adoption followed a two year revision of the previous version, Supplytime 2005, undertaken by a group drawn from across the offshore industry and became the fourth incarnation of this well known Charter Party.

Supplytime is not just one of Bimcos most important documents, it's also important to the wider offshore industry and beyond, providing a comprehensive and reliable Time Charter form based on a knock-for-knock liability regime.

Revision objectives

1. To bring the form into line with current offshore practices.
2. To rebalance the form in order that Owners and Charterers are treated equally.
3. To ensure the knock-for-knock regime within the form is both comprehensive and effective.
4. To correct known legal issues within the 2005 version and to incorporate judgements made since 2005 which have impacted on the form.
5. To clarify some clauses within the 2005 version that have proved problematic in practice.
6. To review and simplify the language used wherever possible.
7. To update the Bimco standard clauses used within the form and to add a couple of new ones.
8. To make the form more relevant and 'fit for purpose'.





OSV Owners

Many Owners felt the revision of Supplytime had deprived them of some rights under the previous version. This may be true but the intent was always that rebalancing the form and increasing its use by those who previously rejected it, Owners would benefit from its increased use by Charterers.

OSV Charterers

No one expects Charterers to change overnight to the new version of Supplytime, however the feedback received from Charterers is generally positive, mainly in terms of the rebalancing of the contract and its recognition of the way the offshore industry actually works in practice.

Lawyers

It's safe to say that overall, those lawyers with a good knowledge of Supplytime and the offshore industry have been the most positive group regarding the new version. There will always be some reservations, however many lawyers and law firms have expressed their opinions in writing and at presentations, stating that ST17 is a clear improvement on its predecessor.



Underwriters

The International Group was represented on the revision committee and no changes were made that they didn't first approve. The view from underwriters is that the added certainty contained in the new version is welcome.

Specialist Ship Brokers

Naturally cautious and conservative, brokers generally take their lead from their clients. However the brokers do appear to recognise the benefits the new version offers and have been cautiously positive in their recommendation.

Others

One of the peculiarities of Supplytime has been its increased use by parties outside the Offshore Oil and Gas industry. Today it's used by Owners and Charterers for towage and salvage, heavy lift, accommodation vessels, the renewable industry, fishery protection etc. It's also used by EU bodies, the UK Government and other various organisations world-wide. The new version makes it easier for them to use it with confidence in its provisions.



Reluctance to change

- New versions of any established Charter Party will always take time to gain 'traction'.
- '*Better the devil you know*' and '*Staying within your comfort zone*'
- Time and money invested in developing standard amendments to the previous version.
- Unwilling to give up any perceived advantage in the previous version(s).

However, the new version

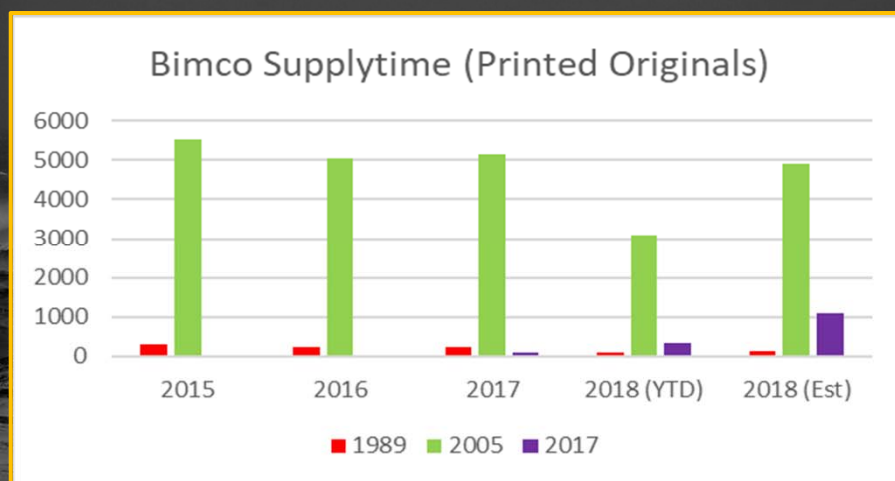
- Reflects current practices in the offshore industry.
- Incorporates legal judgements made since 2005
- Is a more balanced form and hence more acceptable to Charterers
- Resolves some linguistic and practical problems within earlier versions

Downloads of Supplytime 1989, 2005 and 2017

Version	Year									
	2015	%	2016	%	2017	%	2018 (ytd)	%	2018 (est)	%
1989	308	5.3%	224	4.3%	228	4.2%	110	3.1%	122	2.0%
2005	5,529	94.7%	5,041	95.7%	5,148	93.9%	3,104	86.9%	4,895	80.0%
2017	0	0.0%	0	0.0%	108	2.0%	356	10.0%	1,102	18.0%
TOTAL	5,837	100.0%	5,265	100.0%	5,484	100.0%	3,570	100.0%	6,119	100.0%

BIMCO figures, July 2018

Downloads of Supplytime 1989, 2005 and 2017



Clearly the switch to the new version has begun.



Any Questions ?

Thank-you for allowing me to give this review

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