

The purpose of the TP&I News is to provide the latest news for the shipowners, charterers, as well as any other maritime interests around the globe. Each issue of TP&I News will include a focused review section of several articles on a topic of current interest.¹

1. The Singapore Chamber of Maritime Arbitration Update

The Singapore Chamber of Maritime Arbitration (SCMA) was established in 2009 as an independent institution of arbitration to take care of international trade and maritime disputes in Asia.

The SCMA recently released its 4th edition of the SCMA Rules (the Rules) which apply to arbitrations commenced on or after 1 January 2022. In addition to structural changes and the adoption of gender-neutral language, the amendments aim to increase clarity, modernise the arbitral process, and make it more flexible and efficient – both in terms of procedure and costs.

The amendments are aimed at keeping up with the way that business is increasingly conducted by electronic and digital means. For example, the Rules allow for service of documents by email, thus eliminating the need for physical delivery of notices or communications. The Rules also allow the Tribunal to conduct virtual hearings and virtual meetings.

SCMA Model Clause

The SCMA model clause that can be included in international trade and shipping contracts is as follows:



“Any and all disputes arising out of or in connection with this contract, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration seated in Singapore in accordance with the Arbitration Rules of the Singapore Chamber of Maritime Arbitration (“SCMA Rules”) current at the commencement of the arbitration, which rules are deemed to be incorporated by reference in this clause”.

We would like to thank to our correspondent Kelly Yap, Oon & Bazul LLP for providing us this information.



2. United States Update about COVID-19 “Omicron” Variant

On November 24, 2021, a new COVID-19 variant was first detected in Botswana and South Africa. On December 1, 2021, the first confirmed case of the Omicron variant was identified. Omicron spreads and infects at a more rapid

pace than previous forms of the virus. While this variant may spread more rapidly than Delta and is poised to become the dominant strain as early as January 2022, early reports also indicate that it causes less severe illness.

In the United States, the number of Omicron cases has exploded. More of the hospitalizations are among unvaccinated patients.

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The Centre for Disease Control (CDC) continues to opine those vaccines remain the best public health measure to protect people from COVID-19, slow transmission, and reduce the likelihood of new variants emerging. Early indications point to reduced effectiveness of a single round (1 shot of Johnson & Johnson or 2 of Pfizer/Moderna) of the COVID vaccine in fighting against the new variant. The CDC recommends that everyone five (5) years and older be fully vaccinated against COVID-19. The CDC further recommends that everyone age eighteen (18) years and older get a booster shot at least two (2) months after their initial Johnson & Johnson (single shot) vaccine.

Due to fluctuating port stays, seafarers vaccinated in the United States have been receiving the Johnson & Johnson (J&J) vaccine. The J&J vaccine requires only a single dosage. To best protect against the new variant, booster shots for seafarers should be strongly considered.

There is the potential that the definition of “fully vaccinated” changes to mean that a seafarer has received the initial dose and is up to date with a booster shot. So far, local restrictions have not “required” that an individual be boosted. Currently, an individual is considered fully vaccinated two (2) weeks after receiving the J&J vaccine.

To date, fifty-six (56) countries have placed restrictions on travel from Southern Africa, where the Omicron variant was first discovered. In the United States, from December 6, 2021 on, all passengers by air are required to show a negative COVID-19 test result taken no more than 24 hours before travel, or documentation of having recovered from COVID-19 in the past 90 days before they board their flight. These rules apply to both vaccinated and unvaccinated passengers. Additionally, unvaccinated travellers must self-quarantine in the United States for seven days and undergo further testing. There are currently no exemptions for seafarers. Unfortunately, this has the potential to affect the already tenuous crew change crisis.



Currently, booster shots for already vaccinated seafarers and continued efforts to reach 100% crew vaccination levels appear to be the best defences against this emerging COVID variant. This is also the best way to address a wide range of ever-changing regulations affecting seafarers ashore. With vaccination available the CDC has shortened recommended quarantine time for individuals exposed to the virus. The CDC now recommends quarantine for 5 days (instead of 10) followed by 5 days of masking for individuals exposed to the virus.

USA ports consider guidelines from local, federal, and state health agencies in determining COVID-19 related restrictions and protocols. Depending on the State or City, local health agencies may have far more stringent or more relaxed rules when compared to the Federal response. Again, the most effective solution is the continued vaccination of seafarers. As this issue remains in flux, shipowners should defer to the CDC for the latest and most up to date guidance.

We would like to thank to our correspondent Hal Halpin, Lamorte Burns & Co. Inc., for providing us this information.

3. BIMCO: LNG Fuel Clauses for Time Charters

An increasing number of ships that use alternative fuels are entering the market in response to the maritime industry's drive towards reducing CO2 emissions. The most common alternative fuel at present is Liquefied Natural Gas (LNG) which is used in an increasing number of dual-fuelled ships in operation.

To support the use of alternative fuels, BIMCO has developed a suite of LNG clauses for time charter parties. These LNG Fuel Clauses are designed to sit alongside existing bunker clauses in standard time charter parties. The clauses address essential issues in the delivery/redelivery, management, and quality of LNG as fuel.

The LNG fuel clauses for use in time charter parties consists of:

3.1. LNG Fuel Delivery Clause

This clause deals with the operational requirements when a ship uses LNG fuel. The focus is on the ship's compliance with LNG bunkering facilities. The clause covers LNG supplied via ship-to-ship transfer and directly from terminals.

3.2. LNG Fuel Gas freeing and Cool down Clause

LNG fuelled ships may need to gas-free their tanks from time to time. Since this is a special requirement for LNG fuelled ships, a bespoke clause has been developed. Gas-freeing is not a common operation and is needed only under certain circumstances such as survey.

3.3. LNG Fuel Quality Clause

Quality issues with LNG fuel are very rare and therefore the clause focuses on the composition of the LNG fuel.



3.4. LNG Fuel Delivery and Redelivery Clause

This clause is intended to be used together with the existing delivery and redelivery provision for conventional fuel under the charter party.

These four LNG Fuel Clauses are available to download free of charge from the BIMCO website.

Source: BIMCO

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