

IN THE MATTER OF AN ARBITRATION

AND

IN THE MATTER OF THE SCMA RULES 6TH EDITION 2016

B E T W E E N:

Barnier Shipping S.A.

Claimants/Owners

-and-

May Chartering Ltd

Respondents/Charterers

"M/V Customs Union"

MLAS MARITIME MOOTING COMPETITION 2019

GENERAL OVERVIEW OF MOOT PROBLEM

1. Pursuant to an SCMA arbitration, the Owners claim damages from the Charterers arising from the Charterers' supply of bunkers containing contaminants which made the bunkers unsuitable for use in the engines of M/V *Customs Union* (the "**Vessel**"). The Charterers supplied the off spec bunkers immediately before redelivery of the Vessel by the Charterers to the Owners under the terms of a charterparty dated 14 February 2018 (the "**Charterparty**").
2. The Charterers have admitted liability for breach of the Charterparty as a result of supplying off-specification fuel to the Vessel. It follows that the only dispute between the parties is the quantum of damages to which the Owners are entitled as a result of the breach.
3. The Owners determined that the bunkers were unsuitable for use in the Vessel's engines before any part of the bunkers was in fact burned. The Charterers contacted the bunker suppliers, Cameron Fuels Ltd (the "**Bunker Suppliers**"), who made recommendations for the treatment of the bunkers on board in order to

allow the Vessel to use them. The Owners followed these recommendations and were able to use the bunkers without any actual damage to the Vessel's engines.

4. As a result of delays arising from the presence of the unsuitable bunkers on board the Vessel, the Owners claim to have suffered ongoing delays after redelivery and to have lost out on fixing profitable employment for the Vessel. The Owners argue that they suffered significant loss of income as a result of a sizeable fall in the charter market for the Vessel during the period of delay immediately after redelivery of the Vessel.
5. The moot concerns the arguments raised on each side as to the appropriate measure of damages.
6. The Owners argue that, but for the Charterers' breach, they would have fixed the Vessel at a rate of US\$15,000 per day for a round trip time charter from Australia to Continental Europe and back to Australia lasting about 90 days; whereas they were in fact only able to fix the Vessel for a series of shorter voyages at lower rates of hire, averaging about US\$10,000 per day during the 90 day estimated duration of the trip time charter. As a result, they say that they have suffered a loss of US\$450,000.
7. The Charterers question whether the Owners' loss is too remote to recover, is a loss for which the Charterers did not assume responsibility and/or results from a failure by the Owners to mitigate their loss. The Owners say that their loss was foreseeable as a possible loss resulting from delay due to the supply of off spec bunkers to the Vessel.

10 December 2018