FAQs

US-Iran Conflict FAQs

As the US-Iran conflict escalates, the maritime sector faces heightened pressures, particularly in the Middle East's essential waterways and ports.

Since 28th February, 2026, the Islamic Revolutionary Guard Corps and the Iranian Navy have been transmitting warning messages via VHF Channel 16 stating that no ships are permitted to pass through the Strait of Hormuz. As at the date of this publication, commercial traffic through the Strait of Hormuz has largely ceased and war risk insurers are suspending cover for ships entering the Persian Gulf.

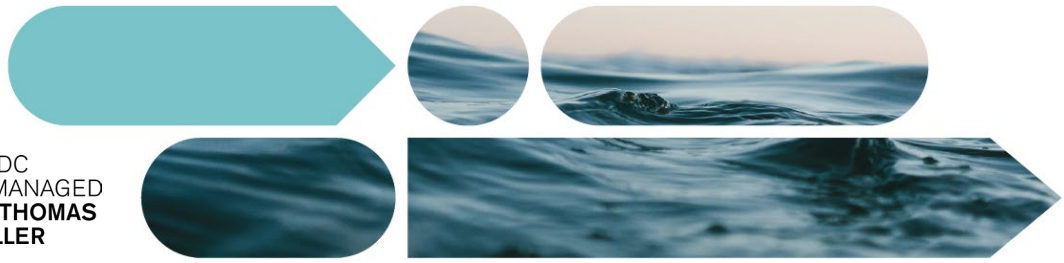
The Maritime Security Center Indian Ocean Advisory of 1st March, 2026, refers to three incidents involving explosions/fires onboard tankers in the area (two inside the Strait of Hormuz and one outside), albeit that these have not yet been confirmed as being connected to the ongoing conflict. In addition, ships in regions of the Persian Gulf and Strait of Hormuz have been reporting GPS spoofing.

While the situation is very fluid, the following FAQs provide general guidance and highlight the type of contractual issues that might arise following the escalating conflict.

1. On what basis can owners refuse to transit an area or call at a particular port, relying on the standard war clauses?

Different charters are likely to have bespoke clauses dealing with the occurrence of war risk. It is therefore essential that these clauses are reviewed carefully and the risk assessed at the time the ship is transiting through or to a particular area.

Where an owner is fixing a voyage charter, they inevitably have a certain degree of control over the ship's employment in terms of cargo and trade routes. By contrast, under a period time charter, an owner effectively places its ships in the hands of its charterer, subject only to agreed limits. A charter for worldwide trading or to a specific place coupled with an agreement that the charterer will pay extra war risk premium will make it hard for the owner to refuse orders to proceed to a war-affected zone, subject to any protective clauses or common law defences.



Taking the BIMCO Conwartime Risks Clause for Time Chartering 2025 ("Conwartime") as a reference (and, in so far as applicable, Voywar 2025 for voyage charters), "War Risks" are described within clause (a)(iv) of Conwartime as: "actual, threatened or reported: war, act of war, civil war or hostilities…civil commotion… warlike operations…acts of hostility or malicious damage…by any person, body, terrorist or political group, or the government of any state or territory whether recognised or not".

Clause (b) of Conwartime then gives an owner the right to refuse an order to proceed through or to a particular place or port if the ship "in the reasonable judgement of the Master and / or Owners, may be exposed to War Risks". The issue to consider, therefore, is whether the requirements to exercise reasonable judgement as to the danger posed by such acts in clause (a)(iv) and/or the risk of the ship being exposed to such risks required by clause (b) will have been met if an owner wishes to exercise its right to refuse to proceed through a particular area or to a particular port.

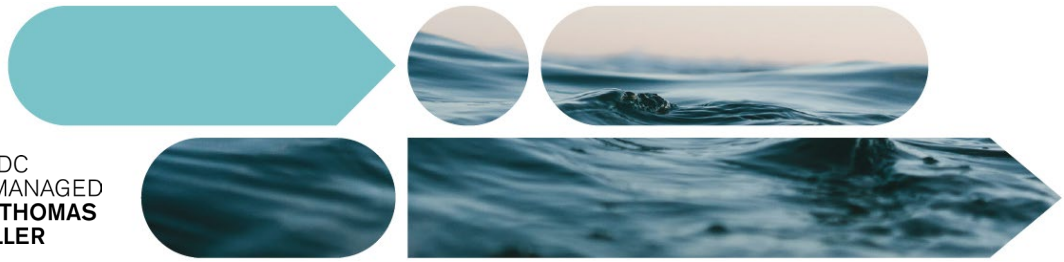
Useful guidance on the application of the test under clause (b) was provided by the Court in the case of *The Triton Lark* [2011] EWHC 2862 (albeit on the Conwartime 1993 which was not materially different from the relevant provisions of Conwartime 2025) and it was held that whilst the evaluation of risk must be based on evidence, the degree of risk does not need to be as high as 50/50 although must be more than a "bare possibility".

The UK Supreme Court case of *Herculito v Gunvor* [2024]UKSC2 provides a timely reminder that even where a War Clause is incorporated, what rights it actually gives to Owners can depend on other clauses. The charterparty incorporated the war risks clause, clause 39, from BPVOY4, but it also included a Gulf of Aden clause and another war risk clause which required charterers to pay additional war risk insurance premiums . The court observed that, against that background of a specially agreed contractual regime for the known piracy risks of transiting the Gulf of Aden, it would not have been open to the owner to contend that the risks of doing so – which had not materially changed since the charterparty was entered into – constituted a war risk, such that the owner could decline the charterer's orders. So, not only must the entirety of the charterparty provisions be considered, but it may also be important to consider the extent to which the level of risk has changed since the charterparty was entered into.

The above tests would need to be applied to the developing situation at the specific port or area in question. Members will need to seek specific advice before refusing any orders, carefully considering the most recent circumstances and the relevant clauses of the charterparty, as wrongful refusal could result in repudiatory breach of the charterparty.

2. In the absence of a specific war clause, can owners deviate or refuse orders?

Where standard war risk clauses are not incorporated, an owner may still rely on its overriding obligation to ensure the safety of the ship. This may entitle them to refuse orders or deviate from a planned route if, in the master's reasonable judgement, there is a credible threat to the ship, crew, or cargo.



The decision in *The Hill Harmony* [2001] 1 AC 638 reaffirmed this principle, though it also highlighted that the threshold for justifying such a refusal is relatively high and must be supported by a reasonable assessment of the risk involved. Such decisions must be based on objective evidence and the specific risk profile of the ship.

The absence of a war clause does not remove the owner's duty to act prudently. Each case must be assessed individually, and the timing of the charterparty - particularly whether the risk has materially changed since its inception - will be a key factor. Liberty clauses, where present, may offer the owner greater flexibility to reroute without bearing the associated costs, and in some cases, may even present commercial advantages.

If the ship is loaded with cargo, bills of lading must also be reviewed to ensure that the liberty to deviate is expressly incorporated in the terms, as in its absence, the owner might be exposed to claims from cargo interests. It should be noted that the carrier could also rely on Article IV, rule 4 of the Hague/Visby Rules, which addresses deviation, should the same be incorporated in the bill of lading.

3. What if a ship is delayed or detained?

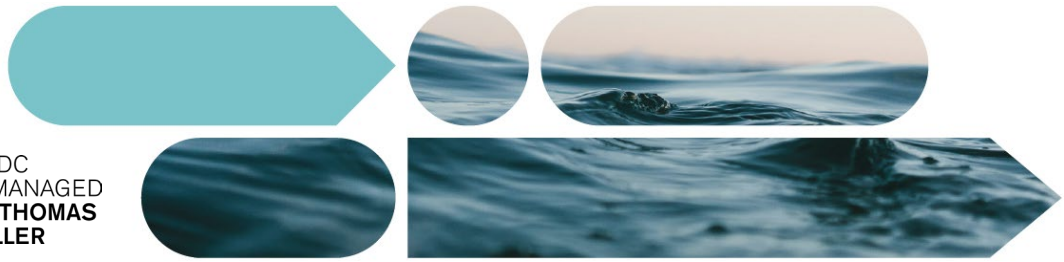
The position may differ depending on whether the issue arises under a time or a voyage charter.

Generally, the position under a time charter is straightforward: a ship will remain on-hire throughout the period of delay, provided the ship is fully efficient in all respects and able to comply with the charterer's instructions. Many geopolitical events will not fall within the unamended NYPE off hire clause as they are likely to be considered to be extraneous to the ship. The situation will be different if "whatsoever" has been added to the list of off-hire events or if bespoke clauses are included to deal with delays due to geopolitical events.

In the event that a ship remains delayed or trapped due to the hostilities and further claims arise due to late redelivery or hull fouling, the charterer may raise the "restraints of Princes, Rulers and People" exception as a defence. However, these words usually cover forcible interference by a government or state preventing or impeding the performance of the charterparty and whether this would apply to the current situation is not clear.

The position under a voyage charterparty is more complex. Which party bears the risk of any delay will depend upon the specific contractual terms and, in particular, whether the ship has been able to reach a location to validly tender NOR in order to allow laytime to commence.

The general position under a berth charterparty is that laytime will not commence until the ship has reached the berth and tendered NOR (unless the charterparty contains a WIBON provision) and so the owner bears the risk of the delay prior to arrival at the berth.



Under a voyage charterparty, if no berth is available upon arrival then the ship must have reached the position within the port where waiting ships usually lie in order to validly tender NOR (unless the charterparty contains a WIPON provision). Much will depend upon the exact terms agreed in the charterparty and we would advise Members to contact the Club for guidance if they are faced with delays.

If there are delays during cargo operations, laytime and/or demurrage will continue to run unless there is a specific exception clause in the charterparty. If there are any delays after cargo operations have completed, the owner will need to demonstrate that the charterer is in breach of charterparty in order to claim detention for the period of the delay. It is worth noting here in the context of delay that force majeure is not a concept recognised under English law and, in order to apply, it would need to be incorporated by way of a specific clause in the charterparty.

As always, if Members have any questions in relation to the above issues they are invited to contact the Club for further information.