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Soundings

In This Issue: The Club seminar in Piraeus focuses on counterparty risk

UK Defence Club Seminar 2012

The annual UK Defence Club seminar in Piraeus took place at the Galaxy Room at the Athens Hilton Hotel on Wednesday 10th October, 2012. The event was well attended, with more than 130 Members, brokers and prospective Members attending.

The seminar dealt with the subject of counterparty risk, which is probably the single biggest issue facing the shipping industry at present.

The seminar took the form of a role play and concentrated on the scenario of a defaulting charterer, exploring some of the consequences of a charterer defaulting on its obligations.

Amongst the issues covered were:

- security arrests on both ships and bunkers owned and/or controlled by defaulting charterers;

- the exercise of liens on cargo and sub freights; and
- ways in which owners can protect themselves from third party claims such as claims from bunker suppliers left unpaid by a defaulting time charterer.

The owner was played by Philip Bush of P.A. Bush Law Offices, who was advised by Peter Steele from the Managers' London office and leading Counsel, Mr James Drake Q.C. of 7 King's Bench Walk, who travelled over from London for the occasion





The charterer was played by Mark Mathews, who was advised by his lawyer, played by Marc Jackson.

Having set the scene, highlighting the charterer's conduct and modus operandi, the second half of the seminar played out an application for a Worldwide Freezing Order in the High Court, presided over by Alexandra Couvadelli, resplendent in the traditional judge's wig. The application went through the requirements for obtaining a WFO and culminated with live legal argument from the charterer's lawyer and Mr Drake Q.C. for the owner.

There then followed a lively question and answer session followed by a drinks reception.

Two informative booklets, "Minimising Counterparty Risk" and "Counterparty Risk - Claims for Damages", were produced for the event. If you would like to receive copies please get in touch with your usual Club contact.



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