

Ship Charter Parties

Introduction

There is no doubt that maritime exploitation is the primary objective of using a vessel as the main instrument of maritime navigation. There are various forms of such exploitation: the shipowner may use the vessel to transport goods belonging to him, or he may charter it to third parties. This type of lease is referred to as a *charter party*.

The importance of charter parties is undoubtedly part of the broader importance of maritime transport in general. These contracts allow a specific person, the charterer, to exploit a highly costly asset that he may not be able to afford to build or purchase, or whose service he requires without the need for ownership, in exchange for a fee paid to the shipowner.

This type of lease takes different legal forms depending on whether it is concluded for a fixed period, a specific voyage, or multiple voyages. The exploitation of a vessel is usually achieved by placing it at the disposal of another party, either without supplying it with provisions and crew—this form of lease is known as *bareboat charter*—or by the owner chartering it fully equipped, placing a seaworthy vessel at the disposal of the charterer to be used for his benefit in return for a specified payment.

The Algerian legislator has recognized the ship charter contract and regulated its general provisions in Chapter One of Book Two of the Maritime Code, in Articles 640 to 649. Chapter Two addresses voyage chartering (Articles 690 to 694), Chapter Three addresses time chartering for a specific voyage (Articles 695 to 720), and Chapter Four addresses bareboat chartering (Articles 723 to 737).¹

Through this study, we examine the specificity of these charter parties and the extent to which they are subject to the general principles and rules governing the formation of contracts.

¹ - Ali Taher Al-Bayati, *Maritime Commercial Arbitration: A Comparative Legal Study*, 1st ed., Dar Al-Thaqafa for Publishing and Distribution, Amman, Jordan, 2006, p. 35; Ahmed Mahmoud Hosni, *Ship Charter Contracts: A Study of Charter Parties in Egyptian Law and Arab Laws Compared with French and English Law and the Draft Maritime Law*, Mansha'at Al-Maaref, Alexandria, Egypt, 1985, p. 07; Ordinance No. 80/76 of 23 October 1976 containing the Maritime Code, as amended and supplemented, published in Official Gazette No. 29, issued on 21 Rabi' al-Thani 1397 corresponding to 10 April 1977.

The importance of addressing this topic lies in the increasing reliance on this mode of maritime transport, which constitutes the backbone of international trade and the lifeblood of economic activity, given the special significance of this contract.

Due to the involvement of a highly costly movable asset, which is exposed to significant risks, and because it is concluded after long and precise negotiations usually conducted by specialists and brokers who earn their livelihood from this profession.

On the one hand, the shipowner, who is not necessarily prepared for maritime navigation and may find it difficult to face the risks of maritime transport, seeks to charter the vessel instead of bearing the uncertainties and risks of exploitation. On the other hand, there are persons who prefer maritime transport for economic reasons aimed at achieving profit, especially in the current context. These include, in particular, traders who use it to transport their goods in the form of raw materials, as well as companies that manufacture basic commodities such as sugar, coal, and others.

Despite the advantages that have contributed to the spread of charter parties, many problems still arise in connection with the execution of such contracts. It is therefore necessary to understand the legal framework governing charter parties and the effects arising from them. This study seeks to highlight the ship charter contract within this branch of law (maritime law) and to determine whether it has adopted the same foundations found in general rules, or whether it has been influenced by its special nature, thus differing from what is established in civil law.

Accordingly, the researcher has adopted a thematic approach based on the analysis of legislative texts, in addition to reviewing doctrinal positions. In order to answer the above research problem, the study will be divided into two main axes:

Axis One: General (common) rules governing ship charter parties.

Axis Two: Special rules relating to the different forms of charter parties.

Axis One: General (Common) Rules in Ship Charter Parties

This axis covers the general provisions applicable to all ship charter contracts, starting with the concept and legal nature of the charter party, then addressing its formation, and finally its termination or rescission.

First: The Concept and Legal Nature of the Charter Party

It is necessary first to define the ship charter party and then examine its legal nature, which will be presented as follows:

1. Definition of the Charter Party

A ship charter contract is an agreement whereby the lessor undertakes, in return for payment, to place at the disposal of the charterer a specific vessel or part thereof. It is also defined as the contract that allows the charterer to use the vessel for maritime exploitation purposes in exchange for a fee paid to the lessor.

The Algerian legislator defined the ship charter contract in Article 640 of the Maritime Code, which states:

“A ship charter contract is concluded by an agreement under which the shipowner undertakes to place a vessel at the disposal of the charterer in return for remuneration. The vessel may be chartered on a voyage basis, for a fixed period, or on a bareboat basis.”

The term *charter party* is a commercial term established by usage. It is merely the equivalent of the English term *charter party*, which originates from the Latin expression *carta partita*, meaning “divided document.” This was a written document that used to be written twice on a single sheet, which was then divided into two halves; each party would keep one half. In the event of a dispute regarding the obligations of the parties, both halves would be compared to determine their content.

This does not mean that the term “ship charter contract” is incorrect or rejected; however, it should correspond to the commonly used term *charter party*. Thus, the charter party simply refers to a ship lease contract, and vice versa.

2. The Legal Nature of the Charter Party

The ship charter contract is a reciprocal contract binding on both parties. It is a consensual contract, although in practice it is almost always concluded in writing today. It is also a continuous contract in time. Furthermore, it is considered a commercial contract for the shipowner, unlike the charterer, unless the chartering is intended for commercial exploitation.

It is governed by private law rules when disputes are brought before ordinary courts, and its interpretation is subject to the provisions of civil law relating to the interpretation of contracts.

It is also necessary to note that the ship charter contract differs from the contract of carriage, even though both serve as means for performing transport operations. Economically, chartering is based on a large-scale operation involving the entire capacity of the vessel or a specified part of it.²

² - Mohamed Al-Anbaki, “Ship Charter Contract and Its Use in Maritime Fraud,” published in *Journal of Comparative Law*, No. 22, 1990, p. 58; also :Ali Taher Al-Bayati, previous reference, p. 38, also See :Article 02, paragraph 15 of Commercial Law No. 27/96 of 1996 states that:

“Commercial acts by their nature include:

- Any enterprise for the construction, purchase, or sale of vessels for maritime navigation.
- Any purchase, sale, or provisioning of ships.
- Any maritime chartering, borrowing, or adventurous maritime loan.
- All insurance contracts and other contracts related to maritime trade.
- Agreements related to maritime trade.

As for transport under a bill of lading, it is based on a relatively less significant operation, whereby a shipper entrusts his goods to one of the vessels operating on scheduled lines for transport, together with goods belonging to other shippers, to the agreed ports of destination.

Despite this clarity, jurists have not agreed on a single criterion to distinguish between chartering and carriage. Some have argued that the distinction should be based on the document drawn up by the parties to evidence their agreement: if the document is a charter party, the contract is considered a chartering contract; if it is a bill of lading, it is considered a contract of maritime carriage. However, reliance on this criterion has been criticized as circular reasoning by the jurist Ali Jamal El-Din, who considers that it is preferable to adopt an objective criterion rather than relying on the designation given by the parties to the document.

According to this view, the charter party is a contract whose subject matter is the use of a movable asset, namely the vessel or a specified part of it, whereas the subject matter of the contract of carriage relates to the person or goods that the carrier undertakes to transport from one place to another, meaning that maritime carriage is based on the spatial movement of goods.

It is also noted that the rules governing the contract of maritime carriage, particularly those relating to the liability of the maritime carrier, are mandatory rules of public policy, from which parties may not derogate by agreement. In contrast, the rules governing the charter of a vessel—whether voyage charter or time charter—are generally supplementary or interpretative rules, allowing the parties' will to freely determine the contractual terms that suit their interests.

Second: Formation of the Charter Party Contract

The formation of the charter party contract is, in principle, governed by general rules, whether it concerns a bareboat charter, a time charter, or a voyage charter, concluded between the shipowner on one side and the charterer on the other.

1. The Parties to the Contract

The charterer is usually in a comparable economic position to the shipowner, which allows him to negotiate the terms of the contract. Accordingly, the ship charter contract is governed by contractual freedom. It is a consensual contract in which the parties freely agree on

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- All maritime voyages.”

See: Mahmoud Chahmat, *Introduction to Algerian Maritime Law*, Belqis Publishing House – Casablanca, Algeria, 2014, p. 127.

obligations, conditions, and effects, in accordance with the explicit provisions of Article 641 of the Maritime Code³.

According to general rules, consent must be valid and free from defects. Likewise, the obligation of each party must have a lawful cause, and both parties must possess the legal capacity required to conclude the contract. In some cases, consent alone is not sufficient, as the State may intervene to protect national interests by imposing certain conditions, as is the case in Egyptian Maritime Commercial Law. Article 22/12 provides that Egyptian vessels may not be chartered to foreigners for a period exceeding two years without obtaining permission from the competent minister.

As for the parties to the ship charter contract, the shipowner is, in principle, the vessel's owner. However, this does not prevent him from being a charterer himself and re-chartering the vessel.

Similarly, the owner of a mortgaged vessel (the mortgagor debtor) may still charter it. In this regard, if the vessel is jointly owned, the majority of co-owners have the right to manage the common property, and such management includes chartering the vessel. However, the manager appointed to administer the co-ownership may not charter the vessel for a period exceeding one year without the authorization of owners representing at least 34% of the shares.

The charter contract may also be concluded through agency, by representatives acting on behalf of both the shipowner and the charterer. In such cases, the effects of the contract are attributed to the principal, and the provisions of agency under civil law apply, unless the agent is a commission agent (agent on commission), in which case he is personally liable in accordance with the rules governing commission agency.

2. Written Form of the Contract and Common Elements of the Charter Party

The ship charter contract must be evidenced in writing to prevent future disputes, as indicated by Article 642 of the Maritime Code. However, the required writing appears to be a condition

³ -Ali Jamal El-Din, *Ship Charter Parties*, Dar Al-Nahda Al-Arabiyya, Cairo, 1987, p. 11; also see the same author, *Maritime Law*, Cairo, 1970, p. 317.; Mohamed Naim Alloua, *Encyclopedia of Public International Law: Maritime Law*, Vol. 5, 1st ed., Middle East Cultural Center – Zain Legal Publications, Beirut, Lebanon, 2012, p. 173; Ahmed Rachdi Azzou, "The Liability of the Maritime Carrier under the Hamburg Rules and the Egyptian Maritime Commercial Law," *Al-Hares Journal*, No. 78 (special issue on marine insurance), Egyptian Reinsurance Company, Digital Library, 2002, p. 05.

of proof rather than validity (*ad probationem* rather than *ad validitatem*). An exception to this rule applies to vessels whose gross tonnage is less than 10 tons.

There is no specific required form for drafting the contract. In practice, specialized entities often prepare standard charter party forms in order to save time and effort. These standard forms may be adapted depending on the type of trade involved. In practice, there are two main categories of charter party forms: general standard forms and special forms.

General standard forms consist of pre-prepared documents containing printed clauses.⁴

leaving some data fields blank, which the parties later complete. As for special charter parties, they include data relating to specific vessels or vessels designated for particular purposes, and they are drafted in accordance with the requirements of the operation for which they are intended.

The written charter party contains numerous elements, primarily the two key elements of (use of the vessel and freight). Generally, it includes references to the vessel itself—its name, class, tonnage, and flag—along with information about the contracting parties (name of the shipowner and name of the charterer), as well as data relating to freight and its method of calculation. In many cases, contracts stipulate that its valuation is linked to the current market rate.

Under Algerian Maritime Law, it is required to include the percentage of remuneration in exchange for the use of the vessel, as well as the duration of the contract or the specification of the voyages to be performed.

In addition, other clauses are inserted into the charter party, such as arbitration clauses in case disputes arise in the future. The importance of arbitration is particularly evident in time charter contracts, where disputes often arise regarding the liability of the shipowner or charterer for damage to the chartered vessel. It also appears in voyage charter contracts, where disputes may arise concerning the allocation of responsibility between shipowner and charterer for certain losses, or in disputes relating to the safety of ports and berths during loading and unloading operations, or the condition of the vessel upon delivery to the charterer.

3. Applicable Law to the Charter Party

Given the international nature of maritime transport operations, charter party contracts are often a fertile source of conflicts of laws due to differences in nationality. This issue does not

⁴ - Mostafa Kamal Taha, *Maritime Law*, University Press, Alexandria, n.d., p. 260; Maritime Commercial Law issued by Law No. 8 of 1990, issued on 26 Ramadan 1410 corresponding to 22 April 1990; Ahmed Hosni, previous reference, p. 18; Mahmoud Chahmat, previous reference, p. 127.

arise when the parties clearly express the law applicable to their contract, provided that such choice does not violate public policy rules.

However, if there is no agreement or clear indication of the applicable law, the judge must examine the contract. If the parties share the same nationality, their common national law applies, as if both were Algerian. In the case of different nationalities, the judge applies the law of the vessel's flag, unless the parties have agreed otherwise, in accordance with the provisions of Article 647 of the Maritime Code.

It should also be noted that actions arising from a ship charter contract are time-barred after one year, calculated from the date of its deletion from the register after its total loss⁵.

Third: Termination or Rescission of the Charter Party

Termination or rescission of the contract is governed by the general rules applicable to contracts, as a remedy that may be sought by the shipowner whenever the charterer fails to perform his obligations. In all cases, the court will not grant a request for termination if the breach committed by the charterer is of minor importance. Likewise, the charterer may request termination of the charter party if the shipowner fails to fulfill his obligations.

The ship charter contract is terminated without compensation to either party if a force majeure event occurs that makes performance of the voyage impossible, or if trade with the country where the port of discharge is located is prohibited.

The charterer may also terminate the contract at any time before loading his cargo, provided that he compensates the shipowner for any damage resulting from such termination. Such compensation does not usually exceed the agreed freight amount. The charterer may also, contrary to general rules, terminate the contract during the voyage; in such a case, the shipowner is entitled to full freight in addition to unloading expenses.

Second Axis: Special Rules Relating to the Different Forms of Charter Parties

Ship charter parties take several forms: the vessel may be chartered fully equipped with crew and provisions for a specific period, known as a **time charter**; or it may be delivered in that

⁵ - Examples include the Baltic Time Charter Party (Baltimex, 1939), the British voyage charter party Gencon (1922, revised in 1966), and others such as Russwood. In France, the *Lutétia* charter party is widely used; Among special charter parties, for grain trade there are Norgain and Gentrocon; for coal, Sovcoal (1922) and Medcon (1962), adopted by the Baltic and Maritime Conference. Ahmed Mahmoud Hosni, previous reference, p. 13.; Ali Taher Al-Bayati, previous reference, p. 41. Also see: Article 643 of the Algerian Maritime Code; also: Afrah Abdel Karim Khalil, "Arbitration in Maritime Disputes," *Al-Rafidain Journal of Law*, Vol. 14, No. 50, Year 16, p. 144.

condition but for a specific voyage or multiple voyages, known as a **voyage charter**; or it may be chartered without crew or equipment, known as a **bareboat charter**. Algerian legislation recognizes all three types of chartering.

First: Voyage Charter Party

The Algerian Maritime Code defines the voyage charter party in Article 650 as follows: the shipowner, under a voyage charter contract, undertakes to place at the disposal of the charterer all or part of a vessel equipped and fitted out for the purpose of carrying out one or more voyages, in return for which the charterer undertakes to pay freight.

This definition corresponds to Article 5 of French Law No. 450 of 1966 of 18 June 1966 on ship charter contracts and maritime carriage, which states:

“In a voyage charter, the shipowner places at the disposal of the charterer all or part of the vessel for the purpose of one or more voyages.”

It is also similar to Article 161 of the Egyptian Maritime Commercial Law, which defines it as: a charter of a fully equipped vessel whereby the charterer undertakes by which the shipowner undertakes to place a specific, fully equipped vessel at the disposal of the charterer for a fixed period or for the performance of one or more specified voyages⁶.

Accordingly, the parties in a voyage charter party must clearly agree on the voyages the charterer wishes the chartered vessel to undertake, in addition to agreeing on the port of loading, the port of destination, and any intermediate ports where the vessel may call. The charterer must also inform the shipowner of the nature of the goods to be transported so that the vessel can be prepared in a manner appropriate to those goods.

The shipowner is the party responsible for equipping the vessel and appointing the master and crew; therefore, he retains the nautical and commercial management of the vessel, as evidenced by Article 551 of the Maritime Code.

In this type of charter, the charterer has no authority over the vessel. Neither nautical management nor commercial management is transferred to him. The charterer is only entitled to transport his goods from one port to another, which may lead to some overlap with the contract of maritime carriage, although they remain legally distinct.

1. Obligations of the Shipowner

In a voyage charter, the shipowner is obliged to place at the disposal of the charterer a seaworthy vessel at the agreed place and time, together with all required documents. The vessel is used to carry goods belonging to the charterer. The shipowner's obligations are

⁶ - Article 648 of the Algerian Maritime Code,

therefore divided into those relating to the vessel, those relating to the cargo, and those relating to the voyage.

The shipowner must place at the disposal of the charterer the vessel specified in the contract. Since the shipowner retains full control over the vessel, he is solely responsible for maintaining it and ensuring that it remains seaworthy throughout the duration of the agreed voyage or voyages. He is liable for any damage resulting from the vessel's unseaworthiness, unless he proves that he fulfilled his obligations and that the damage was not due to his fault.

He is also liable for damage to goods received on board by the master from the charterer in execution of the charter party, except where such damage results from an external cause beyond his control (see Article 653 of the Algerian Maritime Code).

In addition, the shipowner is obliged to make the vessel's equipment available for loading and handling cargo operations unloading. If the place of loading is not specified, the shipowner is obliged to place the vessel at the location chosen by the charterer.⁷

The shipowner may not refuse a request to divert the vessel from the loading port to another port, regardless of the agreed cargo quantity. In all cases, the charterer bears all expenses.

Once the goods are loaded on board, the shipowner—through the master—is obliged to stow the cargo properly inside the vessel. Maintaining the vessel's stability in port and during navigation is among the duties of the master, who remains under the authority of the shipowner.

The shipowner is liable for any loss or damage to the cargo, as well as for delay in its delivery. He is also responsible for unloading the goods. Furthermore, the shipowner is obliged to follow the customary route from the port of departure to the port of destination, although deviation from this route is permitted when necessity requires it.

The general rule is that the voyage must be performed using the specified vessel; the master may not replace it unless it becomes unseaworthy during performance of the contract, in which case another vessel may be chartered to transport the goods to the port of destination.

2. Obligations of the Charterer

In a voyage charter, the charterer is obliged to load and unload the goods within the time limits specified in the contract or, failing that, according to port customs. The charter party defines the goods to be transported and their specifications. The charterer must carry out loading and unloading promptly so as not to delay the vessel.

⁷ - Mohamed Morsi Abdo, "Addressing Fraud Related to Maritime Documents under Qatari Maritime Law and International Conventions," *Legal and Judicial Journal*, Center for Legal and Judicial Studies, Qatar, p. 146.

The period allowed for loading and unloading is usually agreed upon in the charter party; otherwise, reference is made to the customary practice at the port where loading and unloading take place. The period begins on the day following the notification that the vessel is ready for loading or unloading.

Only working days are included in the calculation of time; official holidays are excluded, and bad weather days are not excluded unless extreme weather conditions amount to force majeure, in which case the time limit is suspended.

If loading or unloading is not completed within the agreed period, an additional period applies, not exceeding the original duration. For this extension, the shipowner is entitled to a daily compensation, as provided in Article 664 of the Maritime Code. If loading or unloading still does not take place, a second additional period may apply, which may not exceed the first extension period⁸.

The shipowner may dispatch the vessel with a partial cargo before the expiry of the laytime. If the laytime expires without loading or unloading being completed, the shipowner is entitled to terminate the contract with compensation in accordance with general principles.

In cases where the charterer is granted a second period to complete loading and the parties have not agreed on the freight for this extension, the freight for the second period is calculated as the freight of the first period plus one half, in accordance with Article 666 of the Algerian Maritime Code.

Pursuant to Article 668 of the same Code, the charterer is obliged to load the agreed quantity of goods, and any excess cargo is borne by the charterer.

In the event that the voyage is interrupted due to a breakdown of the vessel, the charterer may unload the cargo, and the costs of unloading are borne by him. The shipowner is entitled to claim freight for the distance already covered, unless he is responsible for the breakdown, in which case he bears the costs instead of the charterer, in accordance with Article 677 of the Algerian Maritime Code.

The charterer is also subject to a fundamental obligation, namely the payment of freight. This amount is usually determined in the contract by mutual agreement; if not, it is determined according to custom. Freight may include additional charges, such as sums due for delays in loading and unloading.

If the charterer fails to pay freight or charges related to additional laytime and delay periods, the shipowner has the right—after serving formal notice—to exercise a lien over the cargo

⁸ - See Article 654 of the Maritime Code; Article 655 of the same Code.

and deposit the goods, with a view to selling them by judicial authorization, unless the charterer provides sufficient guarantees.

Second: Time Charter Party (Chartering for a Fixed Period)

A time charter is a contract whereby the shipowner undertakes to place a specified vessel at the disposal of the charterer for a fixed period, in return for agreed remuneration, so that the charterer may use it.

Under this type of contract, the charterer may exercise a certain degree of control over the vessel, which may be either purely commercial or both commercial and administrative, depending on the agreement between the parties. Standard forms for this type of charter are widely used in practice, the most prominent being the Baltic Time Charter Party (Baltimex 1939) and the New York form of 1913.

In most cases, the shipowner retains technical and navigational control of the vessel, while receiving commercial instructions from the charterer. Article 695 of the Algerian Maritime Code defines it as follows:

“The shipowner undertakes, under a time charter contract, to place his vessel, fully equipped and manned and equipment at the disposal of the charterer for a fixed period, while the charterer pays, in return, the freight.”

This type of contract gives rise to the following obligations:

1. Obligations of the Shipowner

The shipowner is obliged to place the vessel at the disposal of the charterer at the agreed place and time, in a seaworthy condition and equipped with everything necessary to carry out the operations provided for in the contract. The vessel must remain in such condition throughout the duration of the agreement.

This obligation also exists in the case of a bareboat charter; however, in a time charter an additional obligation is imposed on the shipowner, namely to provide the vessel with a master and a qualified crew capable of operating and navigating it. These remain under the authority of the shipowner and must comply with his instructions, as indicated in Article 701 of the same Code.

The charter applies to the entire vessel and not to a part of it. The shipowner retains nautical management, which includes financing, maintenance, and all matters related to navigation. However, commercial management of the vessel in a time charter is transferred to the charterer, as provided for in Article 701 of the Maritime Code.

2. Obligations of the Charterer

The charterer is liable for any damage caused to the vessel resulting from maritime exploitation and bears the necessary operating expenses, particularly fuel, oil, and port charges.

The charterer may sub-charter the vessel unless otherwise agreed in the contract. He is also obliged to pay the agreed freight in the manner specified by the contract.

The vessel may suffer damage during navigation, rendering it unfit for commercial use. If repairs require 24 hours, freight is not due for the additional period during which the vessel remains out of service. In the absence of agreement, freight is reduced if the vessel is returned before the end of the delay period, unless the interruption is attributable to the charterer or the interruption does not exceed 24 hours.

Article 712 of the Algerian Maritime Code provides that if the voyage duration exceeds the agreed date, the contract is extended until the vessel reaches the port where it is to be redelivered. For this additional period, the charterer must pay double freight compared to the contractual rate, unless the extension is incidental and does not exceed one-tenth of the contractual period.

The charterer must also refrain from directing the vessel to dangerous areas resulting from armed conflicts, which is known as the “war clause.”

Finally, the charterer is obliged to redeliver the vessel upon expiry of the agreed period.

The charter party shall be performed at the agreed place and in the condition in which the vessel was delivered, taking into account normal wear and tear of the ship.

Third: Bareboat Charter Party (Hull Charter)

A bareboat charter is a contract whereby the shipowner undertakes, in return for payment, to place at the disposal of the charterer a vessel without crew or provisions for a fixed period. This gives the charterer wide freedom in exploiting the vessel for maritime navigation. Such vessels are usually used by companies that may need ships to meet urgent and unexpected demands without wishing to purchase new vessels.

This type of charter is referred to in Article 724 of the Maritime Code, which states:

“Under a bareboat charter contract, the shipowner undertakes to place the vessel, without equipment or crew, at the disposal of the charterer for a limited period, and the charterer undertakes in return to pay hire.”

This contract is considered a lease of property and is governed by the rules of lease contracts. The charterer is deemed to be the operator of the vessel and not its owner.

The bareboat charter contract creates obligations for both the shipowner and the charterer, as follows:

1. Obligations of the Shipowner

The shipowner is obliged to place the vessel at the disposal of the charterer at the agreed time and place, in a seaworthy condition and fit for use. He must maintain the vessel in a seaworthy condition throughout the duration of the contract. Accordingly, he is liable for any damage resulting from the vessel's unseaworthiness, unless he proves that no fault or negligence can be attributed to him or to any person for whom he is responsible, as provided by Article 727 of the Algerian Maritime Code.

2. Obligations of the Charterer

The charterer is obliged to preserve the vessel and use it for the agreed purpose in accordance with its technical specifications stated in the navigation certificate. The charterer may not make any substantial modifications to the vessel without the owner's consent; however, he may fly his own company's flag.

The charterer is also obliged to repair any damage to the vessel or replace any damaged machinery or equipment, provided that such damage is not due to force majeure, inherent defect of the vessel, or normal use, as these remain the responsibility of the shipowner.

Furthermore, the charterer is obliged to conclude employment contracts with the crew and to pay their wages and entitlements, as they are considered his subordinates in maritime and navigation operations. In this capacity, he is regarded as the operator of the vessel.

the vessel, and bears the expenses of operating the vessel as well as its insurance costs, as stipulated in Article 729 of the Algerian Maritime Code.

The charterer is also obliged to redeliver the vessel upon termination of the charter party in the same condition in which it was received, taking into account normal wear and tear resulting from ordinary use. Redelivery takes place at the port where the vessel was delivered, unless otherwise agreed. In case of delay, the charterer is required to pay, by way of liquidated damages, an amount equal to double the hire for the period exceeding the contractual duration. Moreover, renewal of the charter contract is not presumed upon the expiry of the agreed period.

Conclusion

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In conclusion, based on the provisions of Algerian Maritime Law relating to the exploitation of vessels, particularly those concerning ship chartering, the charter party is a type of lease of property in which the charterer enjoys the vessel in the same manner as an ordinary lessee enjoys leased property.

However, the different forms of chartering—whether time charter or bareboat charter—make this contract a hybrid between a lease of property and a contract of services (hire of work). The degree to which these two elements are combined varies according to the nature and conditions of each contract. In each case, reciprocal obligations arise that distinguish one form from another.

These types of contracts are a product of commercial practice; without them, the charter party would be reduced to an ordinary lease contract, lacking any specificity or distinction.

العربية	English
مشاركة إيجار السفن	Charter Party
عقد إيجار السفينة	Ship Charter Contract
إيجار سفينة عارية / بهيكلها	Bareboat Charter / Demise Charter
الإيجار الزمني	Time Charter
الإيجار بالرحلة	Voyage Charter
عقد النقل البحري	Maritime Contract of Carriage
سند الشحن	Bill of Lading
المؤجر	Shipowner / Lessor
المستأجر	Charterer
الربان	Master / Captain
الطاقم البحري	Crew
السفينة	Vessel / Ship
العلم (جنسية السفينة)	Flag State
ميناء الشحن	Port of Loading
ميناء التفريغ	Port of Discharge
الرحلة البحرية	Voyage
الحمولة	Cargo
البضائع	Goods
الأجرة	Freight / Hire
بدل الإيجار	Charter Hire
صلاحية السفينة للملاحة	Seaworthiness
إدارة ملاحية	Nautical Management
إدارة تجارية	Commercial Management
الاستغلال البحري	Maritime Exploitation
التأجير من الباطن	Sub-chartering
القوة القاهرة	Force Majeure
التأخير	Delay
التحكيم	Arbitration
شرط التحكيم	Arbitration Clause
شرط الحرب	War Clause
استهلاك عادي	Normal Wear and Tear

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فسخ العقد	Termination / Rescission
إنهاء العقد	Contract Termination
المسؤولية العقدية	Contractual Liability
المسؤولية عن الناقل	Carrier's Liability
قانون البحري الجزائري	Algerian Maritime Code