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Tanker vetting process: from charterer perspective

Xuesong Hu

TANKER VETTING PROCESS: FROM CHARTERER PERSPECTIVE

Hu Xuesong

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Declaration

I certify that all the material in this dissertation that is not my own work has been identified, and that no material is included for which a degree has previously been conferred on me.

The contents of this dissertation reflect my own personal views, and are not necessarily endorsed by the University.

(Signature): Hu Xuesong

(Date): 27 May 2023

Supervised by: Professor Zhao Jian

Supervisor's affiliation: Dalian Maritime University

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Abstract

Title of Dissertation: **TANKER VETTING PROCESS: FROM CHARTERER PERSPECTIVE**

Degree: **Master of Science**

I have written a desertion report on the topic of Tanker vetting process: from charterer perspective, which provides a comprehensive overview of the tanker vetting process, including its importance, scope, and challenges. It covers the various stages of the vetting process, from pre-vetting to inspection, evaluation, and feedback, as well as the relevant industry and regulatory standards. The document also highlights the human, technical, and environmental factors that can affect tanker safety and outlines best practices for collaboration, continuous improvement, and risk management. Overall, this document serves as a valuable resource for anyone involved in the tanker vetting process, including charterers, vessel operators, and regulatory agencies. I have added appendix for policy of UNIPEC Crude Oil Vessel Vetting.

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List of abbreviation

IMO	International Maritime Organization
SOLAS	International Convention for Safety of Life at Sea
MARPOL	International Convention for the Prevention of Pollution from Ships
STCW	International Convention on Standards of Training, Certification and Watchkeeping for Seafarers
PSC	Port State Control
ISM	International Safety Management Code
ISPS	International Ship and Port Facility Security Code
ECDIS	Electronic Chart Display and Information System
VHF	Very High Frequency
AIS	Automatic Identification System
GPS	Global Positioning System
GMDSS	Global Maritime Distress and Safety System
MLC	Maritime Labour Convention
ILO	International Labour Organization
NVOCC	Non-Vessel Operating Common Carrier
TEU	Twenty-foot Equivalent Unit
FEU	Forty-foot Equivalent Unit
TCE	Time Charter Equivalent
FOB	Free on Board
CIF	Cost, Insurance and Freight.
CFR	Code of Federal Regulations
FMC	Federal Maritime Commission
BIMCO	Baltic and International Maritime Council
INTERTANKO	International Association of Independent Tanker Owners
OCIMF	Oil Companies International Marine Forum

SIRE	Ship Inspection Report Programme
Vetting	A process of inspecting a vessel to ensure its safety and environmental compliance
IACS	International Association of Classification Societies
USCG	United States Coast Guard
MCA	Maritime and Coastguard Agency
ABS	American Bureau of Shipping
DNV	Det Norske Veritas
LR	Lloyd's Register
BV	Bureau Veritas
GL	Germanischer Lloyd
NK	Nippon Kaiji Kyokai
RINA	Registro Italiano Nevele
IACS	International Association of Classification Societies
VTS	Vessel Traffic Services
ETA	Estimated Time of Arrival.

Glossary of Tanker vetting process

Ballast	Water or other liquid used to stabilize a vessel
Berth	A designated location at a dock or wharf where a vessel can be moored or tied up
Cargo	Goods or materials carried on a vessel
Deadweight	The weight of the cargo, fuel, stores, and other items carried on a vessel, plus the weight of the vessel itself, crew, and any other equipment on board
Draft	The depth of water required to float a vessel
Flag	The national flag of the country in which a vessel is registered
Hull	The main body of a vessel, excluding the machinery and superstructure
LOA	Length overall, the maximum length of a vessel including any extensions or projections.
Port	A location where vessels can dock, load, or unload cargo
Starboard	The right-hand side of a vessel when facing forward
Stern	The back end of a vessel
Tonnage	The weight of a vessel measured in gross tonnage or net tonnage
Voyage	A journey made by a vessel from one port or location to another

Chapter 1 Introduction

1.1 Definition of Tanker Vetting

Tanker vetting is a comprehensive process that involves evaluating the safety and suitability of a tanker vessel before it is chartered or used to transport cargo. The vetting process involves assessing a wide range of factors, such as the vessel's condition, maintenance, crew competency, and compliance with industry and regulatory standards. The objective of tanker vetting is to minimize the risk of accidents, incidents, and pollution while ensuring that the vessel and its crew operate safely and efficiently. The vetting process is usually carried out by independent third-party organizations, such as oil majors, shipping companies, or classification societies, who maintain comprehensive databases of tanker performance and safety records. The results of the vetting process are used to assess the risk of using a particular tanker for a specific cargo or voyage, and to determine the terms of the charter party or transport agreement.

Figure 1 loaded tanker ships

1.2 Importance of Tanker Vetting:

Tanker vetting is critical to the safe and efficient transportation of cargo by sea. It helps to prevent accidents, incidents, and pollution that can result in significant economic, environmental, and human costs. By conducting thorough vetting inspections, charterers can ensure that the vessels they charter meet the required safety standards and that the crews are competent to operate them (Fışkın & Zorba, 2015). Vetting inspections also help vessel operators identify areas where they can improve their safety and compliance performance, which can help them to maintain a good reputation and secure future business.

1.3 Scope of Tanker Vetting:

The scope of tanker vetting is broad and encompasses all aspects of vessel safety and suitability. The vetting process involves assessing factors such as the vessel's structural integrity, cargo handling equipment, navigation equipment, communication systems, and crew training and competency. The scope of tanker vetting also includes evaluating the vessel's compliance with industry standards, such as those set by the Oil Companies International Marine Forum (OCIMF), Chemical Distribution Institute (CDI), and Ship Inspection Report Program (SIRE), as well as regulatory standards set by international bodies such as the International Maritime Organization (IMO) and national authorities such as the US Coast Guard and Port State Control. Overall, the scope of tanker vetting is comprehensive and seeks to ensure that all aspects of vessel safety and compliance are evaluated and addressed. The tanker vetting process is an important aspect of the shipping industry and has been the subject of much research. Studies have been conducted on the effectiveness of the process and the challenges associated with it. Studies have also been conducted on the potential improvements that could be made to the process. There have been a number of studies conducted on tanker vetting, with the majority focusing on the technical and operational aspects of the process. These studies have examined the requirements of the International Maritime Organisation (IMO), as well as the guidelines set out by the International Association of Classification Societies (IACS). Other studies have examined the legal implications of tanker vetting, including the impact of international maritime law, and the role of insurance companies in the process (Malmberg , 2008).

Chapter 2 Literature Review

The tanker vetting process is an important aspect of the shipping industry and has been the subject of much research. Studies have been conducted on the effectiveness of the process and the challenges associated with it. Studies have also been conducted on the potential improvements that could be made to the process. There have been a number of studies conducted on tanker vetting, with the majority focusing on the technical and operational aspects of the process. These studies have examined the requirements of the International Maritime Organisation (IMO), as well as the guidelines set out by the International Association of Classification Societies (IACS). Other studies have examined the legal implications of tanker vetting, including the impact of international maritime law, and the role of insurance companies in the process.

2.1 Tanker Vetting Process

2.1.1 Pre-Vetting

The pre-vetting phase is the first step in the tanker vetting process, which involves gathering information about the vessel and assessing its suitability for a particular cargo or trade route. The pre-vetting process helps charterers and vessel operators identify potential risks and make informed decisions about whether to proceed with a charter or voyage.

Charterer's Responsibilities:

Charterers have a responsibility to conduct due diligence before chartering a vessel. This includes reviewing the vessel's vetting history, crew experience and competency, and compliance with industry and regulatory standards. Charterers should also ensure

that the vessel is suitable for the cargo and the intended trade route, taking into account factors such as the vessel's size, speed, and draft. The Rowan case is important as it set a precedent for how the obligations and meanings of vetting clauses in charterparties should be interpreted (Malmberg , 2008). The Court of Appeal found that the vetting clause should not be read with the recap amendment, but instead the amendment should replace the clause in its entirety. This means that the owners are only under an obligation to maintain the approvals that they had at the time of entering the charterparty, and not throughout the entire duration. This decision showed that the drafting of charterparty clauses should be closely reviewed to ensure that the wording does not place an unrealistic risk of breach of the vetting clause.

Vessel Operator's Responsibilities:

Vessel operators have a responsibility to provide accurate and complete information to the charterer during the pre-vetting phase. This includes providing details about the vessel's technical specifications, crew qualifications, and compliance status. Vessel operators should also ensure that the vessel is in a state of readiness for inspection and that the crew is aware of the vetting process.

Gathering Information:

During the pre-vetting phase, both charterers and vessel operators gather information about the vessel and the proposed cargo or trade route. This information may include the vessel's vetting history, port state control inspections, class society surveys, crew qualifications and experience, and compliance with industry and regulatory standards. The information is used to assess the risks associated with the proposed charter or voyage and to make informed decisions about whether to proceed. In some cases, the pre-vetting phase may also involve a preliminary inspection of the vessel to identify

any potential issues that may need to be addressed before the formal vetting inspection.

2.1.2 Inspection:

The inspection phase is a crucial step in the tanker vetting process, which involves evaluating the vessel's safety and compliance with industry and regulatory standards. The inspection is conducted by an experienced vetting inspector, who assesses the vessel's condition, equipment, and crew performance.

Scope of Inspection:

The scope of the inspection includes all aspects of the vessel's safety and suitability for the proposed cargo or trade route. This includes evaluating the vessel's structural integrity, machinery and equipment, cargo handling systems, navigation and communication systems, and crew performance. The inspector will also assess the vessel's compliance with industry and regulatory standards, including those set by OCIMF, CDI, SIRE, IMO, and national authorities.

Types of Inspections:

There are two main types of vetting inspections: pre-charter and routine. Pre-charter inspections are conducted before a vessel is chartered to assess its suitability for the proposed cargo and trade route. Routine inspections are conducted periodically to monitor the vessel's ongoing compliance with industry and regulatory standards.

Vetting Inspection Checklist:

The vetting inspection checklist is a comprehensive document that outlines the criteria for evaluating the vessel's safety and compliance. The checklist includes

items such as the condition of the vessel's hull and machinery, the availability and condition of safety equipment, the competency and training of the crew, and the vessel's compliance with international and national regulations (Fışkın & Zorba, 2015). The checklist is used by the inspector to ensure that all aspects of the vessel's safety and compliance are evaluated and to provide feedback to the vessel operator and charterer.

2.1.3 Evaluation:

The evaluation phase is the process of assessing the results of the inspection and determining the vessel's suitability for the proposed cargo or trade route. The evaluation is based on a set of criteria that are used to rate the vessel's safety and compliance and to identify any potential risks.

Criteria for Evaluation:

The criteria for evaluating the vessel's safety and compliance include the condition of the vessel's hull and machinery, the availability and condition of safety equipment, the competency and training of the crew, and the vessel's compliance with international and national regulations. These criteria are used to rate the vessel's safety and compliance and to identify any potential risks that may need to be addressed.

Rating System:

The rating system is used to assess the vessel's safety and compliance and to assign a score based on the criteria for evaluation. The score is used to determine the vessel's overall suitability for the proposed cargo or trade route.

Risk Assessment:

The risk assessment is the process of identifying any potential risks associated with the proposed charter or voyage and developing a plan to mitigate those risks. The risk assessment takes into account the results of the inspection, the rating system, and any other relevant factors that may impact the vessel's safety and compliance (Ismail & Turker, 2008).

2.1.4 Feedback:

The feedback phase is the process of sharing the results of the inspection with the vessel operator and charterer and developing a plan for addressing any issues that were identified during the inspection.

Sharing Inspection Results:

The results of the inspection are shared with the vessel operator and charterer to provide feedback on the vessel's safety and compliance and to identify any areas that may need improvement. The feedback may include recommendations for remedial actions, such as repairs or crew training, to address any issues that were identified during the inspection.

Remedial Actions:

Remedial actions are the steps taken to address any issues that were identified during the inspection. These actions may include repairs to the vessel or equipment, additional crew training, or other measures to improve the vessel's safety and compliance (Malmberg, 2008).

Follow-up Inspections:

Follow-up inspections may be conducted to ensure that any remedial actions have been completed and to monitor the vessel's ongoing compliance with industry and regulatory standards. The frequency and scope of follow-up inspections will depend on the results of the initial inspection and the level of risk associated with the proposed charter o

2.2 Tanker Vetting Standards

Tanker vetting is conducted in accordance with industry standards developed by various organizations (Knowles, 2010). These standards are designed to ensure the safety and compliance of vessels operating in the marine industry.

Standard	Description
China Maritime Safety Administration (MSA)	The MSA is the government agency responsible for regulating maritime safety and environmental protection in China. It sets the national standards for tanker design, construction, equipment, and operation, as well as for crew training and certification. The MSA also conducts inspections and audits of tanker vessels to ensure compliance with the standards (Plomaritou & Papadopoulos, 2017).
China Classification Society (CCS)	The CCS is a non-profit organization authorized by the MSA to provide classification, certification, and inspection services for marine vessels and offshore installations. It has developed its own rules and standards for tanker vetting, which cover areas such as structural strength, stability, fire protection, pollution prevention, and navigation. The CCS also maintains a database of tanker performance and safety records (Plomaritou & Papadopoulos, 2017).
China Petroleum &	Sinopec is one of the largest oil and gas companies in China

Standard	Description
Chemical Corporation (Sinopec)	and a major tanker charterer. It has established its own tanker vetting system, which incorporates the MSA and CCS standards as well as its own requirements. Sinopec conducts vetting inspections of tanker vessels before chartering them and rates their safety, quality, and environmental performance using a scoring system. Sinopec also provides feedback to the vessel owners and operators on how to improve their performance.
China National Offshore Oil Corporation (CNOOC)	CNOOC is another major oil and gas company in China and a tanker charterer. It has developed its own vetting standards, which are based on international best practices and incorporate the MSA and CCS standards. CNOOC conducts vetting inspections of tanker vessels before chartering them and rates their safety, quality, and environmental performance using a scoring system. CNOOC also provides feedback to the vessel owners and operators on how to improve their performance.

Table 1 Tanker vetting standards

2.2.1 OCIMF:

OCIMF is an international forum of oil companies that provides guidance on best practices and safety procedures for the maritime industry. It sets regulations and standards related to the design, construction, maintenance, and operation of tankers. OCIMF develops industry standards and guidelines for tanker vetting, including the Ship Inspection Report Programme (SIRE) (Plomaritou & Papadopoulos, 2017). The mission of OCIMF is to promote the safe, environmentally responsible, and efficient transportation and handling of hydrocarbons by sea, and to develop industry best practices, guidelines, and standards. One of the key activities of OCIMF is the

development and maintenance of the Tanker Management and Self-Assessment (TMSA) program, which is a voluntary risk management tool for tanker owners and operators. The TMSA program provides a framework for assessing and improving the safety and environmental performance of tanker fleets, and covers areas such as vessel management, personnel, operations, maintenance, and safety culture (Plomaritou & Papadopoulos, 2017). The TMSA program is based on a set of core principles and guidelines, and is regularly updated to reflect the latest industry developments and best practices.

2.2.2 SIRE:

The Ship Inspection Report Programme (SIRE) is a tanker vetting standard developed by OCIMF. SIRE is a global database that contains information on tanker inspections and is used by charterers and vessel operators to evaluate the safety and compliance of vessels. In a voyage charter, the vessel inspection is typically conducted by the charterer or their agent, who is responsible for ensuring that the vessel is fit for the intended voyage and cargo (Plomaritou & Papadopoulos, 2017). The inspection may include a review of the vessel's certificates, documents, and maintenance records, as well as a physical examination of the vessel's structure, equipment, and systems. The charterer may also request additional inspections or surveys, such as a pre-loading survey or a bunker survey, to verify the condition and quantity of the cargo and fuel onboard. The results of the vessel inspection are used to evaluate the suitability of the vessel for the intended voyage and cargo, and to negotiate the terms and conditions of the charter party agreement. The Ship Inspection Report Programme (SIRE) was launched by OCIMF in 1993 as a risk assessment tool for Charterers, Ship and Terminal Operators, and government bodies concerned with ship safety (Knowles, 2010). Through the SIRE system, detailed and up-to-date information about tankers and barges is provided.

The inspections conducted by SIRE are a part of the vetting process, and provide an objective view of the condition of the vessel and the proficiency of the crew. The Vessel Inspection Questionnaire (VIQ) booklet has been created by a group of Operators, Oil Companies, and experienced inspectors to ensure that all safety standards are thoroughly reviewed.

2.2.3 China Maritime Safety Administration (MSA)

The China Maritime Safety Administration (MSA) has established certain standards for tanker vetting from a charterer's perspective. These standards are designed to ensure the safety and security of the vessel and cargo, as well as the safe and efficient operation of the vessel. The MSA requires that all charterers of tankers must provide a valid vetting certificate issued by an approved third-party organization (Plomaritou & Papadopoulos, 2017). This certificate must be reviewed and approved by the MSA before any charter agreement is finalized. In addition to the vetting certificate, the MSA requires that charterers provide evidence of the tanker's compliance with various safety and environmental regulations. This includes providing documentation of the vessel's planned maintenance schedule, as well as evidence of the vessel's compliance with applicable national and international regulations (Knowles, 2010). The MSA also requires that charterers provide proof that the vessel has been inspected by a qualified third-party marine surveyor and that any deficiencies noted during the inspection have been corrected. This ensures that the vessel meets all applicable safety and environmental standards. Finally, the MSA requires that the charterer provide evidence of the vessel's financial stability. This includes proof of insurance coverage and evidence that the vessel has sufficient funds available to cover any potential liabilities (Plomaritou & Papadopoulos, 2017). The MSA's standards for tanker vetting from a charterer's perspective are designed to ensure the safe and efficient operation of the vessel and the protection of the cargo and the environment. Charterers should ensure that they meet all of the MSA's requirements in order to ensure the safe and secure operation of the vessel (Knowles, 2010).

2.2.4 IMO:

The International Maritime Organization (IMO) is a specialized agency of the United Nations that develops and promotes global standards for the safety, security, and environmental performance of shipping. IMO develops and enforces international regulations for tanker vetting, including the International Safety Management (ISM) Code and the International Convention for the Prevention of Pollution from Ships (MARPOL) (Knowles, 2010). It sets regulations and standards related to maritime safety, prevention of pollution from ships, and security of vessels and ports.

2.2.5 US Coast Guard:

The US Coast Guard is responsible for enforcing US maritime law and regulations. The Coast Guard conducts tanker vetting inspections in US waters and enforces the International Ship and Port Facility Security (ISPS) Code (Knowles, 2010). The USCG is a federal agency within the US Department of Homeland Security responsible for maritime safety and security. It sets regulations and standards related to maritime safety, pollution prevention, and security of vessels and ports within US waters.

2.2.6 Port State Control:

Port State Control is an international system for ensuring the safety and compliance of vessels entering foreign ports. Under this system, port authorities may conduct inspections of vessels to ensure that they meet international and national standards for safety and compliance. According to UNIPEC policies of crude oil the port state control is.

Port State Control is a regulatory regime for inspecting foreign ships in national ports to verify that they comply with international safety, security, and environmental standards. The Port State Control inspections are carried out by the authorities of the port state, which are usually the Coast Guard or Maritime Administration of the country.

Vessel inspection related to Port State Control is a regulatory regime for inspecting foreign ships in national ports to verify that they comply with international safety, security, and environmental standards (Knowles, 2010). The Port State Control inspections are carried out by the authorities of the port state, which are usually the Coast Guard or Maritime Administration of the country.

The Port State Control inspection may include a review of the vessel's certificates, documents, and maintenance records, as well as a physical examination of the vessel's structure, equipment, and systems. The inspection may also include checks for compliance with the International Maritime Organization (IMO) conventions, such as SOLAS (Safety of Life at Sea), MARPOL (Prevention of Pollution from Ships), and STCW (Standards of Training, Certification, and Watchkeeping for Seafarers).

The Port State Control inspection is usually conducted on a random basis but may also be targeted based on the vessel's age, flag, history of detentions or deficiencies, or other risk factors. The inspection may be conducted at any time during the vessel's stay in port and may involve a team of inspectors from different agencies, such as the maritime, environmental, and health authorities.

The results of the Port State Control inspection are documented in a report, which indicates any deficiencies or non-compliances identified during the inspection, and any corrective actions required by the vessel owner or operator. The vessel may be detained if the deficiencies identified are serious enough to pose a risk to safety,

security, or the environment, or if the vessel has already been detained by Port State Control authorities in the recent past.

Chapter 3 Vetting Process as a Risk Assessment Tool

Vetting processes are designed to help organizations identify and mitigate risk. Vetting is a system of checks and balances that organizations use to verify that an individual or entity is trustworthy and without risk of harm or liability. This process can help identify any potential red flags and help ensure that the organization is not exposed to any unnecessary risk.

The vetting process typically includes background checks, references, and other forms of vetting. Background checks are used to verify an applicant's identity, employment history, criminal record, and other factors (Knowles, 2010). Reference checks are used to verify the applicant's past performance and conduct. Organizations may also use social media and other online databases to collect additional information about the applicant.

Vetting can also be used to assess potential risks associated with an employee or contractor. For example, an organization may look into the individual's past behavior, financial history, and other factors to determine if they have any risk factors that could affect their performance or reliability.

Vetting is a useful risk assessment tool because it helps organizations identify potential risks before they become a problem. By taking the time to carefully vet applicants and employees, organizations can help protect themselves from potential losses and liabilities.

The vetting process is an essential risk assessment tool for both Ship and Terminal Operators, and Charterers. It is designed to provide an accurate assessment of the safety and compliance of vessels before they are hired. Through the Ship Inspection Report Programme (SIRE), OCIMF has developed an integrated system of checks

and inspections to ensure that vessels meet the necessary safety and compliance standards required for them to be considered safe for hire.

The vetting process includes two main components: the physical inspection and the questionnaire (Knowles, 2010). The physical inspection is carried out on board the vessel and is designed to assess the condition of the vessel, the maintenance and safety standards, and the knowledge and experience of the crew (Knowles, 2010).

The Vessel Inspection Questionnaire (VIQ) is a checklist developed by OCIMF and used by inspectors to assess the safety and compliance of vessels. The questionnaire consists of a series of questions that need to be answered by the vessel's operator or company representative. The questions cover a wide range of topics including the vessel's operational history, the crew's experience and qualifications, and the vessel's maintenance and safety standards. The VIQ is used to supplement the findings of the physical inspection and to provide an additional layer of information about the vessel.
The questionnaire is a document which is filled out by the vessel's operator or company representative and is designed to provide additional information about the vessel, its operational history, and the crew's experience. The questionnaire is used to supplement the findings of the physical inspection and to provide an additional layer of information about the vessel.

The process begins with the inspector collecting impressions from the vessel before even stepping onto the gangway. They will then review the Particular Questionnaire (VPQ) that contains questions regarding the ship's documents and particulars. The inspector will also ask to review copies of vessel certificates and plans, copies of officers' certification documents, Oil Record books, cargo and bridge log books. The inspector will then go on to inspect the ship, looking for objective criteria to judge the vessel (Knowles, 2010). Once the inspection is completed, a SIRE report is issued which provides an assessment of the vessel's suitability. Both the physical

inspection and the questionnaire are important components of the vetting process and are used in conjunction to ensure that vessels meet the necessary safety and compliance standards before they can be hired. Through the vetting process, Charterers can gain a greater level of confidence in the safety and compliance of vessels they are considering hiring. The SIRE inspection is an important part of the vetting process but it is not the only factor that oil companies and other charterers use to decide whether to accept a vessel. The inspector has two days to complete the report and submit it to OCIMF. The ship operator then has 14 days to respond to OCIMF and state any corrective and preventive actions for each observation. A new tool has been launched to allow the operator to make further comments on open observations (Knowles, 2010). The reports are available online for 12 months and can be accessed by OCIMF members for a nominal fee. Governmental bodies can access the OCIMF databases for free. Results of the inspections are only seen internally by the oil company conducting the inspection and are not visible to other companies. An inspection report is only valid if it is less than 6 months old, though it is recommended that operators arrange inspections every 4-5 months. The inspection status is finalized with the final evaluation of the report from the inspecting oil company. A successful inspection will provide the vessel with a clearance for the next voyage or period. When a tanker is offered for charter, the vetting and commercial department of the Oil Company assesses the vessel to ensure it meets the required safety and cost standards. The screening process consists of various steps that must be completed in order to ensure the vessel is suitable for the company's needs. This involves collecting data about the tanker and comparing the results to a predetermined benchmark. If the vessel matches the criteria, it will then be approved for use by the company.

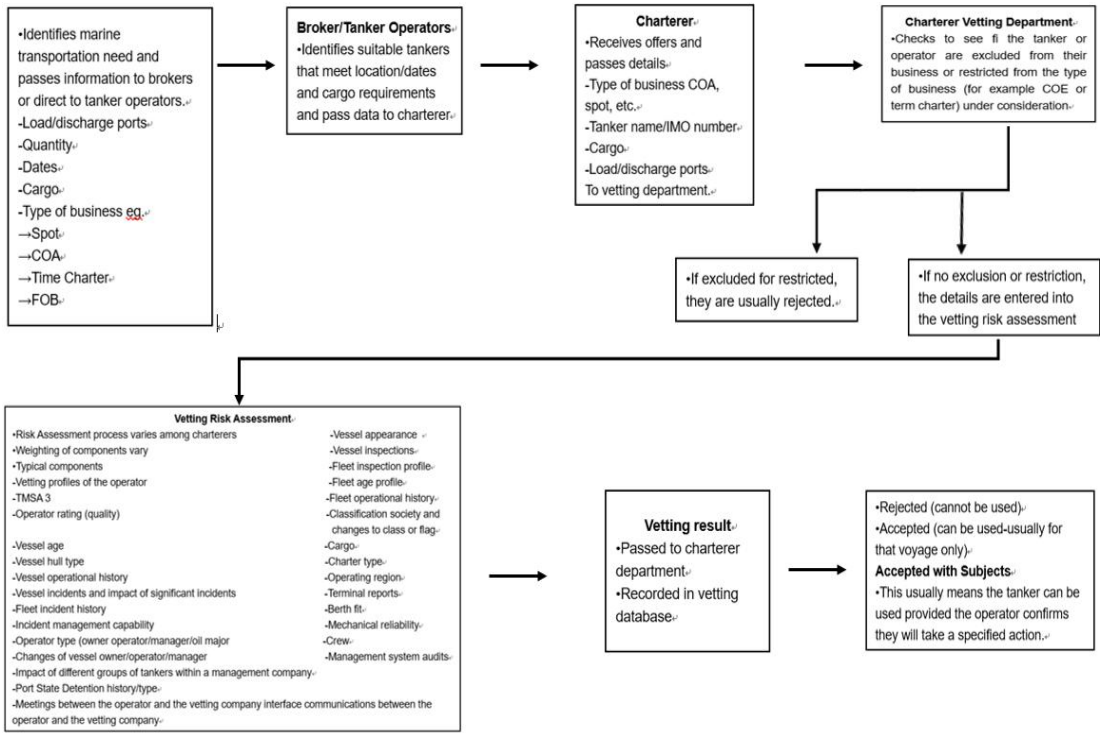

Figure 2 Tanker Vetting Process (Knowles, 2010)

Components of Risk Assessment process from Charterer's perspective Vetting Profile of the Operator: This component of tanker vetting involves analyzing the operator's past performance, experience, and safety record. This includes analysis of the vessel status in the OCIMF database, TMSA audit results, and the overall performance on various databases such as OCIMD, PSC, Lloyd's List, and Equasis. This helps charterers assess the operator's reliability and safety standards.

Vessel Age: Age is an important factor when it comes to vetting tankers. Younger vessels are usually considered to be more competitive, however, other factors such as the type of ship, type and yard of construction, and trading area must be taken into account. Vessels over 15 years old are assessed based on stricter criteria.

Vessel Hull Type: Most assessable vessels nowadays are double hull. The thickness measurement report is requested and evaluated if there is a Special Survey.

Vessel Operational History/Vessel Incidents and Impact of Significant Incidents: A vessel with no unpleasant incidents is usually preferred over one with a negative history. Even if the crew involved in the incident has been changed, the ship remains linked with the incident which can have an impact on its commercial use.

Fleet Incident History: The overall performance of the fleet is also taken into account when assessing tankers. Any recorded incidents will be taken into account when deciding.

Incident Management Capability: Operator's procedures are usually requested for review and, in case of a recorded incident, the full investigation report should always be available.

Changes of Vessel Owner-Operator-Manager: Recent changes in ownership, operations, or management are usually taken into account. Relevant documentation is requested for review such as Management of Change, new Certificates of Class, or Document of Compliance.

Impact of Different Groups of Tankers within a Management Company: If the fleet is not homogenous, this can have an impact on the decision. Sister vessels must be identified.

Port State Control History: This is a major factor when it comes to vetting tankers, as PSC history follows a vessel until it gets scrapped. Any PSC detentions will have a significant impact.

Visual Appearance: Charterers may demand current photos of the vessel for their review and records. The appearance of a tanker varies depending on its trading area and time elapsed since last Dry dock.

Vessel Inspections: OCIMF database records vessel's past SIRE inspections for 12 months rolling basis. Charterers may request additional clarifications on the noted observations or corrective actions status and progress of the vessel.

Fleet Inspection Profile: Charterers check the Operator's profile based on Fleet inspections results. This includes looking for any specific observations that are noted among the fleet vessels, the number of observations per inspection, and any groups of ships within the fleet that perform better or worse than the rest (Λέκκου, 2017).
Fleet Age Profile: A younger fleet is usually considered to be an advantage.

Classification Society and Changes to Class or Flag: Changes to class or flag are usually taken into account, however, they do not necessarily lead to rejection of the vessel.

Cargo: The type of cargo carried by the tanker may have an impact on the decision. Carrying certain cargoes may require more experience and knowledge.

Charterers Type: Not all operators are suitable for time charter. Longer relationships between operators and charterers usually leads to easier time charter business as a higher quality threshold is applied (Λέκκου, 2017).

Operating Region: The previous and current trading area of the vessel is taken into account. This is especially important if the operating area requires certain safety appliances.

Terminal Reports: Charterers may receive this information internally and evaluate any negative feedback. The content of these reports usually focuses on safety and performance matters.

Berth Fit: This is usually requested by terminals to ensure that the vessel fits their facilities and can reach the port safely.

Mechanical Reliability: The maintenance management of the operator and vessel is taken into account. Any ships with high incident frequency or repeated mechanical failures will be penalized.

Crew: The experience and capability of the officers and crew is assessed. Nationality, cultural, and language issues may also be taken into account.

Management System Audits: Audits are held at operator's premises to determine the quality of the Operator's management system.

Meetings between the Operator and the Vetting Company: Good personal contacts and direct communication help the vetting process.

Human factors: Human factor can pose challenges to the tanker vetting process. Crew competency communications issues and culture difference are among the factors that can impact the safety and compliance of vessels. Crew competency can impact tanker vetting process if the crew is not well-trained to handle and operate the vessel. Poor communication between the crew and the tanker vetting team can lead to misunderstandings and errors in the operation of the vessel (Λέκκου, 2017). Cultural differences can also impact the tanker vetting process if the tanker vetting team and crew do not understand each other's culture and communication styles. This can lead to inefficient vetting processes and miscommunication.

All of these components of tanker vetting add to the complexity and problems in the tanker vetting process from a Charterer's perspective. The sheer amount of information and data that needs to be analyzed and assessed is significant, and it can be difficult to make an informed and accurate decision. There is also the issue of

subjectivity, as different charterers may have different weightings of the components. Additionally, false or inaccurate information can lead to costly mistakes.

Technical, regulatory and legal aspects of this vetting from charterer's perspective

The primary challenge associated with the technical aspects of tanker vetting from a charterer's perspective is ensuring that the vessel meets the necessary technical standards. This includes ensuring that the vessel is in compliance with applicable international and national laws, regulations, and conventions. Additionally, the charterer must ensure that the vessel is in proper working condition, with all necessary equipment and systems functioning correctly. The primary compliances that a charterer must ensure when vetting a tanker from a technical perspective include:

1. International Maritime Organization (IMO) conventions and regulations: The IMO is the United Nations specialized agency responsible for developing, implementing, and enforcing international maritime regulations. These regulations are intended to ensure safety and security at sea, as well as environmental protection and sustainable development. For tanker vessels, this includes regulations on the construction and operation of tankers and other vessels, as well as requirements for crew training and qualifications (Fışkın & Zorba, 2015).

2. International Safety Management (ISM) Code: The ISM Code is an international standard for safe management of ships and for pollution prevention. Under the ISM Code, charterers must ensure that vessels meet all requirements for safe operation, including the provision of necessary safety equipment and emergency systems. Additionally, charterers must ensure that the vessel is adequately staffed, trained, and equipped to carry out its intended operations.

3. International Ship and Port Facility Security (ISPS) Code: The ISPS Code is an international maritime security standard that requires vessel operators, port authorities, and other stakeholders to take measures to protect ships, port facilities,

and cargo from any potential threats. Under the ISPS Code, charterers must ensure that vessels have adequate security measures in place and that all personnel onboard the vessel are properly trained in security.

4. Oil Pollution Prevention (OPP) regulations: OPP regulations are designed to prevent and minimize accidental oil pollution from ships. Charterers must ensure that vessels are equipped with necessary oil pollution prevention equipment and that all personnel onboard the vessel are properly trained in the use of this equipment.

5. National and local regulations: In addition to international regulations, charterers must also be aware of any applicable national or local regulations that may affect the operation of the vessel. These may include regulations related to pollution prevention, vessel safety, and other matters.

6. Classification society regulations: Classification societies are organizations that inspect and certify vessels for compliance with international and national regulations. Charterers must ensure that the vessel is in compliance with any applicable classification society regulations.

7. International Ship Security Certificate (ISSC): The ISSC is an international certificate issued by port authorities which attests to the security of a vessel. Charterers must ensure that the vessel holds a valid ISSC and that all security measures outlined in the certificate are in place.

8. SOLAS (Safety Of Life At Sea) regulations: SOLAS regulations are a set of international safety standards that apply to all vessels operating on the high seas. Charterers must ensure that the vessel is in compliance with all applicable SOLAS regulations.

9. Cargo tank inspection, maintenance and certification: Charterers must ensure that all cargo tanks on the vessel are inspected and maintained regularly, and that all necessary certifications are in place.

10. Tanker Management and Self Assessment (TMSA) standards: The TMSA is a set of standards intended to ensure safe and efficient management of tanker vessels. Charterers must ensure that the vessel meets all applicable TMSA standards.

The regulatory challenge associated with tanker vetting from a charterer's perspective is understanding and keeping up with the changing regulatory environment. This includes staying up to date on the latest regulations and conventions, such as the Ballast Water Management Convention and the SOLAS Convention, and ensuring that the vessel meets all applicable international standards. The Ballast Water Management Convention requires vessels to manage the ballast water they carry in order to prevent the spread of aquatic invasive species.

The legal challenge associated with tanker vetting from a charterer's perspective is understanding the contractual obligations and liabilities of the parties involved. This includes ensuring that the vessel is adequately insured, that the charterer is aware of their liability in the event of an accident or incident, and that the terms of the contract are in line with applicable laws and regulations. Additionally, the charterer must ensure that the vessel is owned by a legitimate entity and that all relevant documents are in order.

3.1 Research Hypothesis

The tanker vetting process is effective in ensuring that ships hired by charterers are safe and meet regulations. The tanker vetting process has become increasingly complex in recent years, due to the increasing regulations and legal requirements, and has not kept pace with the demands of the charterer in terms of safety and efficiency.

3.2 Research Questions

1. What is the current tanker vetting process? How has the tanker vetting process developed over the past decade?
2. What legal requirements apply to tanker vetting?
3. How have the legal requirements kept pace with the demands of the charterer?
4. What challenges are faced by the charterer in implementing the tanker vetting process?
5. What improvements can be made to the tanker vetting process to improve safety and efficiency?

3.3 Research Methodology

The research will be conducted through a combination of qualitative and quantitative methods. Qualitative methods will include thematic analysis of an interview style question with the respondent. Quantitative methods will include the collection of data on the perception of charterers on the tanker vetting process, including the complexities related to the time taken to complete the process, the costs associated with it, and the safety and efficiency outcomes. The data will be analysed using a combination of descriptive and inferential statistics, in order to draw conclusions about the effectiveness of the tanker vetting process from charterer's perspectives. The use of qualitative and quantitative methods is appropriate for this research as it allows for a more comprehensive understanding of the perceptions and experiences of charterers with respect to tanker vetting processes. Qualitative methods allow for a deeper understanding of the charterer's perceptions, while quantitative methods allow for a more objective and systematic analysis of the data. Furthermore, the combination of the two methods allows for the triangulation of data, which can help to provide a more comprehensive and robust understanding of the effectiveness of the tanker vetting process from charterers' perspectives.

3.4 Sample:

This survey sample was selected using a stratified random sampling method and was selected in two stages. In the first stage, the questionnaire was set up and distributed to participants from different backgrounds, including seafarers from both Chinese and foreign shipping companies, students receiving maritime education and training, cyber security engineers, project workers in the shipbuilding industry, shipping company employees, and maritime bureau officials. In the second stage, a selective face-to-face interview was conducted with representatives from small shipping companies, no matter how small they were.

At a 95% confidence level, the sampling error rate for the entire questionnaire was +/- 2.5%. This means that 95 out of 100 samples of this size will obtain results that fall within plus or minus 2.5% points, which would have been obtained if everyone had been interviewed.

The survey focused on the tanker vetting process for charterers. Participants were asked questions about their understanding of the tanker vetting process, their experience with the process, and their opinions on the effectiveness of the process

Chapter 4 Questionnaire administration

The participants of the survey were recruited through a variety of methods. First, the survey was advertised through industry contacts, newsletters, and social media. Additionally, the survey was sent out to the mailing lists of relevant organizations, such as trade associations, tanker owners, and charterers. Finally, the survey was sent out to individuals who had expressed interest in the project through emails and direct messages. The questionnaire was administered to discuss the tanker vetting process for charterers in both online and face-to-face formats. For the online survey, the questionnaire was sent out to the participants via email with a link to the online survey. I asked participants to answer questions about their experiences with the tanker vetting process and their opinions of the process. The questions were designed

to gain an understanding of the challenges and successes that the participants had encountered when working with the process.

Chapter 5 FINDINGS AND DISCUSSIONS

The findings from the survey indicate that the majority of charterers have faced legal requirements and regulatory challenges in vetting tankers.

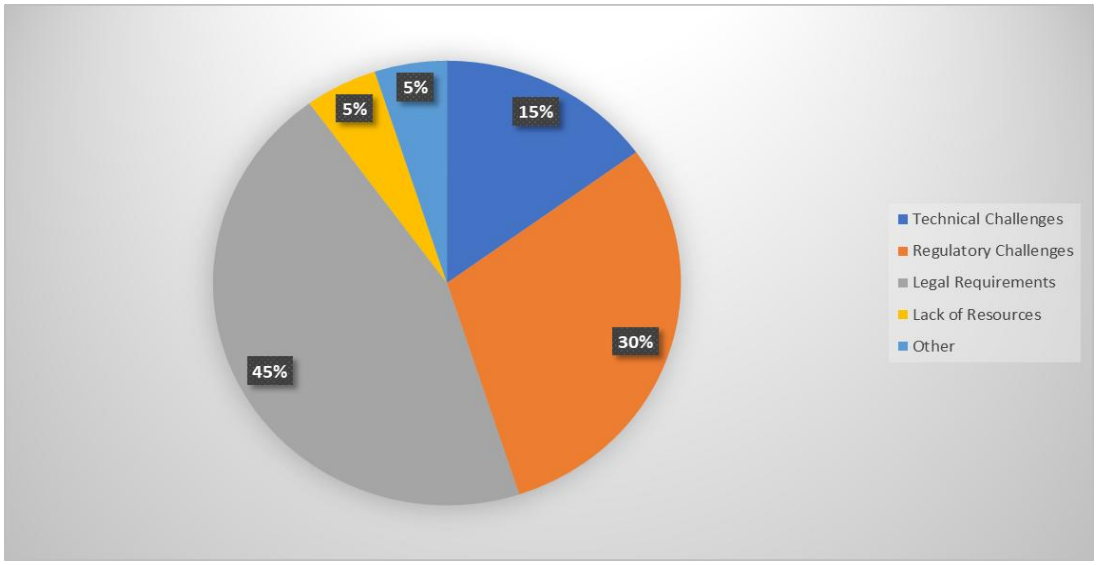

Figure 2 Research findings from the survey questions

The survey also revealed that the majority of charterers feel that the tanker vetting process could be improved by simplifying the process and improving the transparency.

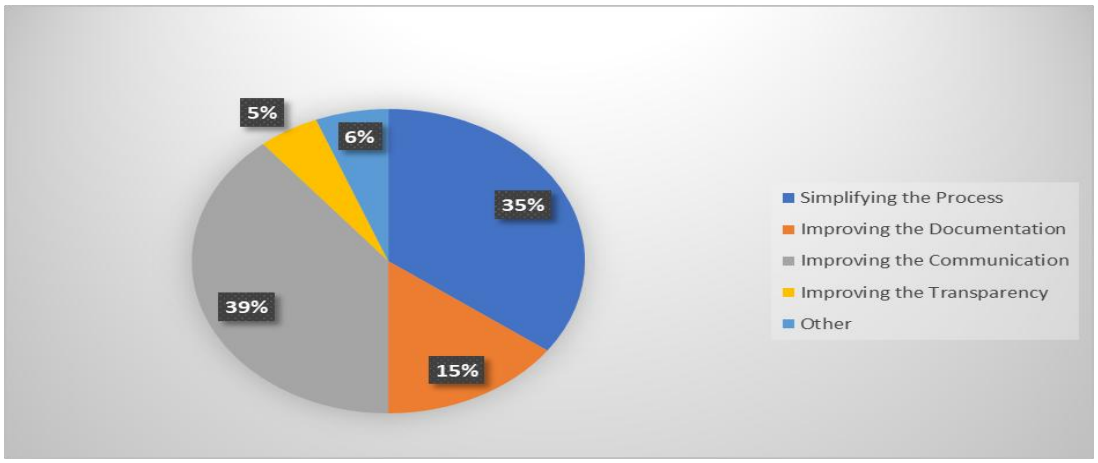

Figure 3 Preference the survey questions

The survey also revealed that the majority of charterers do not believe that the tanker vetting process is effective in ensuring that ships hired by charterers are safe and meet regulations. Furthermore, the majority of charterers do not believe that the legal requirements for tanker vetting have kept pace with the demands of the charterer. Finally, the majority of charterers also do not believe that the tanker vetting process is meeting the needs of the charterer in terms of safety and efficiency.

1. Challenges have you faced in vetting tankers for your charterer

A. **Technical Challenges:**

Technical challenges can include assessing the condition of a tanker, the safety features of the vessel, its propulsion and hull integrity, and any other technical components that may be necessary for safe operation. This can be difficult both to evaluate and to document, as the ship may be located in a remote area and not easily accessible for inspection. Additionally, the ship may have been operating for some time, making it difficult to get an accurate assessment of its current condition (HOUVARDAS, 2017).

B. **Regulatory Challenges:**

Navigating the regulatory requirements for vetting a tanker is an additional challenge. Depending on the country in which the ship is registered, different regulations may apply. Additionally, the crew must be appropriately trained and qualified to operate the vessel, and any necessary certifications must be verified (Malmberg , 2008). The regulatory complexities of the vetting process for charterers largely depend on the oil major they are working with. Each oil major has their own vetting system and process in place, and these processes can vary significantly. Generally speaking, the vetting process involves a review of the vessel's documentation and records,

including the most recent SIRE report and any other port and flag state control inspection reports (Grbic et al., 2018). It also includes a review of the tanker's safety management system, a response to Intertanko's Q88 questionnaire, Lloyds casualty reports, and the vessel's history. The process also takes into account any particular requirements for the trade and terminals for the proposed voyage (HOUVARDAS, 2017).

Once the vetting process is complete, the oil major will advise the charterer whether or not the vessel has been approved. The approval is only valid for a single cargo, and is subject to the vessel's continued compliance with the standards that have been demonstrated during the vetting process. In the event of a rejection, the oil major may provide a period of time before a re-inspection will take place.

Finally, it is important to note that the approval of a vessel by one oil major does not guarantee that it will be accepted by another. Each oil major has their own set of standards, and the vetting process can be influenced by any number of factors, such as the size of the vessel, its condition, and any incidents or PSC deficiencies that may have occurred since the last inspection.

The main problem faced by charterers is the lack of clarity regarding their duty of care when selecting vessels for their cargo. The lack of a legal obligation to carry out vetting and vessel selection procedures means that charterers are often left in a state of uncertainty as to what is expected of them in this regard (HOUVARDAS, 2017). This can lead to situations where the charterer is unaware of potential liabilities arising out of the selection of a vessel which may be unsuitable or unsafe for the cargo being loaded. Additionally, charterers are often left in the dark regarding the vessel selection criteria which are commonly used by the industry, leaving them in a difficult position when attempting to make an informed decision. Finally, the lack of transparency regarding the selection process leaves charterers in a position where they may not be aware of potential risks associated with a given vessel, leaving them vulnerable to potential liability issues.

C. **Legal Requirements:**

When vetting a tanker for a charterer, legal requirements must be taken into consideration. These can include the terms of the charter party agreement, the contract of carriage, and the applicable insurance policies. It is the responsibility of the charterer to ensure that all legal requirements are met before the charterer can use the vessel. The legal complexities of the vetting process for charterers arise from the fact that the obligation to provide a safe vessel for a charter is a contractual one and is not necessarily limited to the scope of the vetting process (Malmberg, 2008). The charterer is obliged to ensure that the vessel is safe and fit for purpose, and the vetting process is simply one form of risk assessment which can be used to assess the vessel's suitability.

The charterer must also take into account other factors such as the vessel's flag state, class, the vessel's previous history, its crew, the vessel's condition, the vessel's compliance with international and local regulations, and the vessel's ability to meet the requirements of the charter.

The legal complexities arise from the fact that the charterer has an obligation to ensure that the vessel is suitable for the voyage, and the vetting process is only one tool which can be used to assess suitability. The charterer must also take into account other factors such as the vessel's flag state, class, the vessel's previous history, its crew, the vessel's condition, the vessel's compliance with international and local regulations, and the vessel's ability to meet the requirements of the charter.

Furthermore, the charterer must ensure that the vessel is suitable for the voyage with regard to the particular cargo and the conditions of the voyage (Nikaki, 2020). This includes consideration of the vessel's cargo carrying capacity, the vessel's speed, the method of loading and discharging, the method of stowage, and the vessel's suitability for any special requirements of the voyage (e.g. weather, sea conditions, etc) (Nikaki, 2020).

The charterer must also ensure that the vetting process itself is carried out in accordance with the requirements of the oil major, including the completion of all relevant documentation, the satisfactory completion of a SIRE inspection and the reporting of any deficiencies (Grbic et al., 2018).

In conclusion, the legal complexities of the vetting process for charterers arise from the need to ensure that the vessel is suitable for the voyage and that the vetting process itself is conducted in accordance with the requirements of the oil major. The charterer must also take into account other factors such as the vessel's flag state, class, the vessel's previous history, its crew, the vessel's condition, the vessel's compliance with international and local regulations, and the vessel's ability to meet the requirements of the charter.

D. Lack of Resources:

Vetting a tanker for a charterer can be a challenging process as it requires a significant amount of resources. This includes both personnel and financial resources to ensure that the vessel is fully compliant with all regulations and is safe for use. Additionally, the charterer may not have access to the necessary personnel and equipment to complete the vetting process.

The respondents also highlighted several other challenges that may be faced when vetting a tanker for a charterer include the availability of personnel and equipment, the cost of the vetting process, and the timeframe in which the vetting must be completed. Additionally, the accuracy of the vetting process may be compromised if the necessary paperwork or information is not provided in a timely manner (Nikaki, 2020). The technical complexities of the vetting process are many and varied. Generally speaking, the vetting process involves the collection and assessment of a wide range of information relating to a vessel, its crew, and its management. This information is used to assess the risk associated with the vessel and its operations, and to ensure that the vessel is suitable to carry the particular cargo in question.

The sources of information used in the vetting process are numerous and include, but are not limited to, the following:

1. Oil Companies International Marine Forum (OCIMF) Ship Inspection Report Programme (SIRE) reports;
2. Oil Companies International Marine Forum (OCIMF) Vessel Particulars Questionnaire (VPQ) reports;
3. Port State Control (PSC) inspection reports;
4. Lloyd's casualty reports;
5. Class documentation;
6. Oil Companies International Marine Forum (OCIMF) Tanker Management Self-Assessment (TMSA) Status;
7. Previous charter history;
8. Particular requirements for the trade and terminals for the proposed voyage.

The information gathered will be assessed against a range of criteria, which will vary depending on the cargo, the trade and the oil major. Generally speaking, the criteria will focus on vessel compliance with international conventions, industry standards, oil major requirements, and the particular requirements of the trade (Nikaki, 2020). On completion of the vetting process, the oil major will confidentially advise the owners/vetting operators whether or not the vessel was successful. This correspondence will either imply 'approval' (ie, '… we require no further information at this time…') or clearly state rejection.

In the event of a rejection, procedures vary between oil majors. Some clearly state a given period of time before a re-inspection will take place (almost always three to six months), some will be less precise ('following a sufficient period of time').

It is important to note that even if a vessel has been successful in vetting for a particular cargo by a particular oil major, this is by no means a guarantee that it will

be successful subsequently. A vetting decision is influenced by many factors, from the practical points that the vessel is too large/too small for the contemplated ports, to items of a more serious nature such as an incident or negative PSC deficiencies or condition of Class imposed since the last SIRE Report and positive vetting took place.

In summary, the vetting process is one of the most important elements of chartering a vessel, and it is essential that all parties understand the complexities involved. Owners/operators should ensure that they are familiar with the requirements of each oil major, and that they have the necessary systems and procedures in place to maintain the highest possible standards.

2. Several improvements could be made to the tanker vetting process

A. Simplifying the Process:

Simplifying the tanker vetting process from the charterer's perspective would involve streamlining the various steps involved in the process. This could involve reducing the paperwork involved, improving the speed of decision making, and ensuring that the necessary information is readily available and easily accessible. Additionally, a simplified process could be created that would minimize the need for multiple stakeholders to be involved in the process and reduce the risk of any delays.

B. Improving the Documentation:

Improving the documentation involved in the tanker vetting process from the charterer's perspective would involve ensuring that all relevant documents are up-to-date and accurate. Additionally, any new documents should be easily accessible and updated in a timely manner. This could involve creating a central repository for all documents related to the process and ensuring that all stakeholders are aware of the various documents and their contents. From a charterer’s perspective, there are a few ways that the complexities of vetting can be improved. Firstly, there should be more accurate and up-to-date documentation regarding the vetting process and the

standards that are expected of the vessel. This should include information on the oil major's requirements for vetting and the process for re-inspection should the vessel fail to meet the required standards. Additionally, the charterer should ensure that the vetting clause in their charterparty is clear and reflects the true nature of modern vetting. This should include information on the oil major's expectations and any warranties of approval and/or acceptance.

Finally, the charterer should be diligent in their research of the vessel, ensuring that they are fully aware of the vessel's previous charter history and any incidents or negative PSC deficiencies or conditions of Class that have occurred. This will help to ensure that the vessel is suitable for the trade and terminals for the proposed voyage.

C. Improving the Communication:

Improving the communication involved in the tanker vetting process from the charterer's perspective would involve creating a clear and unified system for communication between all stakeholders. This could involve establishing a clear chain of command, ensuring that all stakeholders are aware of the timeline and expectations, and ensuring that all stakeholders are updated regularly. Improving communication between charterers and owners/operators is key to making the vetting process smoother and more efficient. Charterers should be clear in their expectations and communicate these clearly to the owners/operators throughout the vetting process. This will ensure that the owners/operators have a clear understanding of the charterer's requirements and can adequately prepare for the vetting process, addressing any deficiencies in advance. Charterers should also ensure that their vetting clauses accurately reflect their expectations and the current vetting process. This will help to avoid any misunderstandings and ensure that both parties are on the same page. Finally, charterers should provide timely feedback to owners/operators on their vetting performance. This will allow owners/operators to identify areas for improvement and address any issues that may be hindering their success.

Additionally, all stakeholders should be given the opportunity to ask questions and provide feedback on any issues that may arise.

E. **Improving the Transparency:**

Improving the transparency of the tanker vetting process from the charterer's perspective would involve ensuring that all stakeholders are aware of the various steps and procedures involved in the process. This could involve publishing a clear and comprehensive guide to the process and ensuring that all relevant documents are available for review by all stakeholders. Improving the transparency of vetting can be done by introducing effective communication between the charterer and the oil major. This would include providing the charterer with detailed information about the vetting process and the criteria that need to be met. The oil major should also provide clear guidelines for how long the vetting process will take, as well as the timeframe for when a vessel is expected to be accepted for a cargo. The charterer should also be informed of any changes in the vetting process or criteria. In addition, the oil major should provide the charterer with access to the vetting results in real-time. This would enable the charterer to quickly assess the risks associated with a certain vessel and make decisions accordingly. Finally, the oil major should also provide the charterer with a clear explanation of any rejections and the reasons behind them. This would enable the charterer to address any issues that may be causing the rejection, as well as ensure that any future applications are more likely to be successful. Additionally, any changes to the process should be communicated in a timely manner and all stakeholders should be given the opportunity to provide feedback on any proposed changes. The respondents also suggested other improvements that could be made to the tanker vetting process from the charterer's perspective would involve improving the efficiency of the process. This could involve using automated systems and technology to streamline the process, creating clear and concise procedures, and ensuring that all stakeholders are aware of the expectations and timeline.

Additionally, a system should be in place to track any issues that may arise and ensure that they are addressed in a timely and efficient manner.

3. Tanker vetting process is not effective in ensuring that ships hired by charterers are safe and meet regulations

The tanker vetting process is not effective in ensuring that ships hired by charterers are safe and meet regulations. Tanker vetting processes are not always effective in ensuring that ships hired by charterers are safe and meet regulations due to a variety of factors (Λέκκου, 2017). First, the vetting process is often conducted by individual oil majors with their own set of standards and criteria that may not be consistent across the industry. Second, the vetting process often relies heavily on the SIRE inspection report and other sources of information that may not be up to date or comprehensive enough to provide an accurate assessment of the vessel's safety and compliance with regulations (Grbic et al., 2018). Third, the process is often subject to time constraints and the availability of information which can affect the accuracy of the vetting. Finally, the Charterparty clauses that are used to incorporate the vetting process often do not accurately reflect the true nature of modern vetting and can lead to unrealistic expectations and obligations that the owner or operator may not be able to meet. The tanker vetting process from a charterer's perspective is a systematic means of assessing the safety and regulatory compliance of ships hired for the purpose of transportation of oil, chemicals, or other hazardous cargoes. The process involves evaluating the ship's design, construction, and maintenance, as well as its crew's qualifications, experience, and training. The goal of a tanker vetting process is to ensure that the hired ships are capable of safely carrying the chartered cargo without putting the environment and human life at risk. Unfortunately, the tanker vetting process often falls short in meeting its goal. There are several factors that contribute to its ineffectiveness. First, the criteria used to assess ships are often not comprehensive enough to ensure that the ship meets all applicable safety and regulatory requirements. Additionally, the vetting process does not always take into

consideration the actual condition of the ship. While the vetting process may assess the design and construction of the ship, it does not always account for the age of the ship or its actual state of maintenance (Λέκκου, 2017). This can lead to the hiring of ships that are not up to par with safety and regulatory requirements. Furthermore, the tanker vetting process often fails to ensure that the crew on board the hired ships are adequately qualified and experienced. The vetting process may assess the qualifications and experience of the crew, but it does not always take into consideration the actual performance of the crew on board the ship. This can lead to the hiring of unqualified and inexperienced crew, which can further compromise the safety and regulatory compliance of the hired ships (HOUVARDAS, 2017). The tanker vetting process does not always provide sufficient oversight to ensure that the ships remain compliant with safety and regulatory requirements. The vetting process is often conducted once, at the beginning of the charter period, and does not provide any ongoing monitoring of the ship or crew. This can lead to the hiring of vessels that may not be in compliance with regulations, or may have experienced a decline in safety or quality since the initial vetting process (Λέκκου, 2017).

Overall, the tanker vetting process from a charterer's perspective is not effective in ensuring that ships hired are safe and meet regulations. The process is often not comprehensive enough, does not consider the condition of the ship, fails to ensure the qualifications and experience of the crew, and does not provide sufficient oversight to ensure ongoing compliance. As such, charterers should take additional steps to ensure the safety and compliance of the ships they hire.

4. The tanker vetting process is efficient and effective in meeting the requirements of the charterer

The tanker vetting process is efficient and effective in meeting the requirements of the charterer because it ensures that the vessel is suitable for the cargo and trade in question, and that it is equipped to handle the cargo safely and to the highest standards. The vetting process also provides a thorough assessment of the vessel and

its crew, which can help to identify any potential issues before they become a problem. This helps to minimise the risk of accidents or other incidents while the vessel is in operation. Additionally, the vetting process enables the charterer to have access to up-to-date information on the vessel, its crew and its condition, which can help to ensure that the charter is conducted safely and efficiently. Ultimately, this ensures that the vessel is able to meet the needs of the charterer, and helps to protect both the charterer and the vessel from any potential claims or liabilities (HOUVARDAS, 2017). The tanker vetting process from the charterer's perspective is designed to ensure that the vessel and its crew are suitably qualified and experienced to safely and securely transport the charterer's cargo. The process begins with the charterer outlining their requirements for the specific voyage, including the type and quantity of cargo to be transported, the route to be taken, and any other specific conditions that must be met. The charterer then reviews the available vessels for the voyage and assesses their suitability.

The vetting process involves a detailed review of the ship's documentation, such as the vessel's age, condition, and maintenance record (Nikaki, 2020). The charterer also examines the vessel's crew and their qualifications, certifications, and experience. The charterer must also assess the vessel's safety equipment, including firefighting and lifesaving systems, and its ability to meet the requirements of the voyage. charterers are expected to fulfill their contracts with the ship owners, even when the fulfillment of the contract depends on cooperation from a third party with whom the charterer has a contract (Ismail & Turker, 2008). This can be especially problematic when it comes to reinstatement of vessels, as the arbitrary refusal of a company to inspect a vessel can make it impossible to fulfill the contract. This puts the charterer in a difficult position of either being held responsible for the failed inspection or having to terminate the contract. Furthermore, the current vetting clauses are often phrased as a condition, which puts the burden of responsibility on the ship owner. This is often seen as unfair, as the charterer can be the link creating a business interest for the third-party company, yet the charterer may still be held responsible.

The charterer may also request additional documents from the vessel's owner, such as an International Oil Pollution Prevention (IOPP) certificate, a Certificate of Fitness for the Carriage of Dangerous Goods, and a Certificate of Insurance. The charterer may also require the vessel to undergo an inspection by a third-party surveyor to ensure it meets the requirements of the voyage.

The tanker vetting process is important for ensuring that the vessel and its crew are adequately qualified and experienced to meet the charterer's requirements (Nikaki, 2020). The vetting process also helps ensure that the vessel is operating safely and securely, protecting the cargo, crew, and the environment.

The tanker vetting process from a charterer's perspective is an important consideration in the maritime industry, especially in Australia. Tanker vetting is a process used to assess the suitability of a vessel for a particular job or activity. It involves the charterer assessing the vessel's condition and performance record, as well as its compliance with the applicable safety and environmental regulations. The process is intended to ensure that the charterer is selecting a suitable vessel for the job at hand.

5. The legal requirements for tanker vetting have not kept pace with the demands of the charterer

The legal requirements for tanker vetting have evolved with the demands of the charterer but not kept pace due to the increasing complexity of tanker operations and the need for charterers to ensure the highest standards of safety and environmental protection. For example, in Australia, the Australian Maritime Safety Authority (AMSA) has implemented a number of regulations in order to protect vessels and their crews from potential risks (Λέκκου, 2017). This includes the requirement for vessels to undergo a comprehensive vetting process prior to chartering. The tanker vetting process from the charterer's perspective involves a comprehensive assessment of the vessel, its crew and the operations conducted onboard (Λέκκου, 2017). This includes the evaluation of the vessel's condition, adequacy of the crew's

qualifications, cargo handling practices, voyage planning, and the vessel's onboard safety management systems. The vetting process also includes a review of the vessel's documents and certifications, such as its safety management system, cargo management plan and voyage plan (Λέκκου, 2017). Additionally, the vessel's compliance with local and international regulations must be assessed (Λέκκου, 2017).

The legal requirements for tanker vetting have not kept pace with the demands of the charterer due to a number of factors. Firstly, the language used in many vetting clauses is outdated and does not accurately reflect the modern vetting process. Many clauses refer to the vessel having to be 'inspected' or 'approved', when in reality, the vessel is merely 'vetted' and is only approved for a single voyage (Λέκκου, 2017). This can lead to confusion if a vessel has been positively vetted for one voyage, but not for a subsequent voyage. Charterers face a number of problems when it comes to vetting inspections. The Approval Catch 22 is particularly problematic, as some companies will not inspect a vessel until it is signed, but will not approve it until it has been vetted. This can lead to significant losses in trading, as was seen with the Opal Sun (HOUVARDAS, 2017).

The use of terminology is also an issue. Companies use different phrasings such as not unacceptable or not rejected, and there is a need for the industry to harmonize the terminology. This is difficult since the parties are often unwilling to change their practice. In addition, companies often require that reports are no older than six months, when SIRE reports are officially valid for twelve months. This can cause further difficulties for owners with good reports, who may not be able to meet the requirement until the report expires (HOUVARDAS, 2017).

Finally, there is a need for harmonization in relation to the definition of oil or chemical major companies. Currently, the list is too fluid and unpredictable, and there is a need for a set definition to ensure more predictability (HOUVARDAS, 2017). This Catch 22 situation creates problems for charterers as they are unable to

obtain the necessary approvals from potential ship owners. This can cause delays in chartering, as well as extra costs for inspections and vetting fees, which can be a significant burden on a company's budget. Additionally, charterers may be unable to charter a suitable vessel for their needs if the ship has not been approved by the major oil or chemical companies. This can lead to a loss of business opportunities and potential profits.

Secondly, many clauses are too prescriptive, with specific requirements as to who should conduct the inspections and how long they should last (HOUVARDAS, 2017). This fails to take into account the various factors which may influence a vetting decision, such as the vessel's size, the trade it is undertaking, or the particular requirements for the ports and terminals for the proposed voyage (HOUVARDAS, 2017).

Finally, the legal requirements for tanker vetting have not kept pace with the demands of the charterer due to the fact that the legal framework has not kept up with the rapid development of the industry. As vetting has become increasingly complex and sophisticated, the legal framework has not kept up and has failed to provide the necessary clarity and certainty which is needed.

One of the problems faced by charterers when dealing with time bars and reduction of hire is that the time frames are often unrealistic. This can lead to a vessel being placed off hire and the charterer incurring significant losses. In addition, if the charter party does not include regulations for reduction of hire, the charterer may be at a disadvantage if they choose to keep the vessel on hire, as they may not be able to access a reduction in the rate of hire. This could lead to further losses for the charterer. Finally, the lack of clear and agreed upon presets for reduction of hire could lead to disputes between the charterer and the ship owner.

In order for the legal requirements for tanker vetting to keep pace with the demands of the charterer, it is essential that the legal framework is updated to reflect the modern practice of vetting. This should include clear language that accurately reflects the nature of the vetting process and provide sufficient flexibility to take into account the various factors that may influence a vetting decision. Furthermore, the legal framework should provide the necessary clarity and certainty to ensure that both charterers and owners understand their obligations and responsibilities.

In Australia, AMSA has introduced the National Standard for Commercial Vessels (NSCV), which outlines the minimum safety and operational requirements for commercial vessels operating within Australia. This includes specific requirements for tanker vessels, such as the use of an approved tanker management plan, which must be updated and reviewed regularly. In addition, the NSCV also requires that all vessels undergo a tanker vetting process prior to chartering. This involves an inspection of the vessel's condition and safety equipment, as well as a review of the vessel's documents and certifications.

The tanker vetting process from the charterer's perspective also involves the evaluation of the vessel's operational capabilities and its crew's qualifications. This includes the assessment of the vessel's cargo handling practices, the crew's ability to respond to emergency situations, the vessel's voyage planning and the onboard safety management systems. Furthermore, the charterer must also evaluate the vessel's compliance with local and international regulations, such as the NSCV. The tanker vetting process from the charterer's perspective also involves the evaluation of the vessel's compliance with the International Safety Management (ISM) Code.

However, despite the evolution, the legal requirements for tanker vetting have not kept pace with the demands of the charterer. This is particularly evident in Australia, where the current requirements are limited to the Maritime Safety Act 1998 and the Navigation Act 2012. These Acts are outdated and do not provide an adequate level

of protection for charterers, who are often left to assess the suitability of a vessel without any guidance or protection.

The lack of a comprehensive legal framework for tanker vetting has led to a situation where charterers are at risk of selecting a vessel that is not suitable for the job at hand. This can lead to costly delays and accidents due to the vessel not being fit for purpose. Furthermore, charterers must rely on the vessel's safety and operational records, which are not always accurate or up-to-date.

The Australian Maritime Safety Authority (AMSA) has recently proposed a new tanker vetting system, which is intended to provide charterers with greater protection when selecting vessels. The proposed system would require vessels to meet certain criteria before being approved for tanker operations. The criteria would include the vessel's condition, operational record and compliance with applicable safety and environmental regulations. The proposed system is still in the development stages, and it is unclear when it will be implemented.

The legal requirements for tanker vetting have not kept pace with the demands of the charterer, particularly in Australia. This has led to a situation where charterers are at risk of selecting a vessel that is not suitable for the job at hand. The proposed system from the AMSA is a step in the right direction, but it is still in the development stages and it is unclear when it will be implemented.

From a charterer's perspective, the tanker vetting process is important for ensuring the safety and efficiency of the vessel. This process involves the review of the vessel's condition and history, crew qualifications and experience, and other relevant factors.
The tanker vetting process is not meeting the needs of the charterer in terms of safety and efficiency

In Australia, tanker vetting is carried out by the AMSA. The AMSA requires that all tankers operating in Australian waters must meet certain safety standards and pass a safety audit before they can be approved for use. The audit is conducted by accredited auditors and is designed to ensure that the vessel is safe, properly maintained and meets the minimum requirements of the International Safety Management Code (ISM).

The AMSA also requires that all tankers operating in Australian waters must be inspected by an independent, accredited third party before they can be used. This inspection is conducted by an independent surveyor and is designed to evaluate the vessel's condition and suitability for service. The surveyor is required to check for any structural defects, operational deficiencies and other safety-related issues.

The vetting process is important for charterers as it helps to ensure that the vessel is safe and suitable for the intended voyage. This helps to reduce the risk of accidents and injuries, as well as minimize the potential for financial losses. Additionally, the vetting process helps to ensure that the vessel is properly maintained and meets all of the required safety standards.

Overall, the tanker vetting process is an important part of the maritime industry and is essential for ensuring the safety and efficiency of tankers operating in Australian waters. Charterers should always ensure that their vessels have been properly vetted before they are used.

From the charterer’s perspective, the implication of the Rowan ruling is that they must be aware of the terms of any vetting clause in a charterparty and take steps to ensure that any approvals from oil majors are maintained throughout the term of the charterparty. This is especially important if a negative vetting report is made, as the charterparty could be terminated if the owners fail to meet the requirements of the vetting clause. The ROWAN clause has been creating problems for charterers in the

vetting process in several ways. Firstly, the clause requires the charterer to maintain any existing 'approvals' from oil majors throughout the duration of the charterparty. This means that even if an issue arises which may impact on the status of such approvals, the charterer is potentially in breach of the warranty given in the vetting clause. Secondly, the wording of the recap amendment in the charterparty acts to replace the clause in its entirety, which means that the warranty is limited to the known approvals at the time of entering the charterparty. This can create difficulties for charterers who may not have the full picture of any pre-existing approvals and therefore may be unable to accurately assess the risk they are taking with regards to vetting. Finally, the ROWAN clause only applies to charterers, and not to owners, meaning that charterers are potentially more exposed in terms of the risks associated with vetting.

The charterer must also be aware of the potential consequences of the negative vetting report. If the report is made public, it could have a detrimental effect on their business and reputation. Furthermore, it may be difficult to find a new charterparty if the owners are unable to maintain the required approvals. Finally, the charterer must be aware that any failure to meet the terms of the vetting clause could result in damages being awarded to the oil major. As such, it is important that the charterer takes all necessary steps to ensure that the vetting requirements are met.

Chapter 6 RECOMMENDATIONS AND CHANGES PROPOSED BY THE CHARTERERS

The Coronavirus pandemic has had a significant impact on the vetting process from the Charterer's perspective. Traditionally, the Charterer would send an inspector onboard the vessel to assess its condition and submit a SIRE report (Νησιώτ, 2021). However, with the introduction of social distancing measures, many Charterers are now unable to send a physical inspector onboard the vessel and are instead relying on remote inspections. This has resulted in Charterers having to assess the vessel based on the information provided by the Ship Operator and the Flag State, such as the Vessel Particulars, the Class Certificate, the Safety Management System and the International Safety Management Code. In addition, Charterers are relying more heavily on the Ship Operator's Tanker Management System (TMSA) to provide additional information regarding the vessel's condition and the operator's safety management practices (Νησιώτ, 2021). Charter parties should remove any language which implies or suggests that a vessel will be automatically accepted for a charter based on an inspection or vetting carried out by a specific oil major. Charter parties should include language which clearly states that a vessel's acceptance is subject to the vessel passing the vetting process, which is carried out by the oil major prior to every cargo. Charter parties should clearly state that the vessel's acceptance is contingent on all the information sources that are taken into account during the vetting process, such as the SIRE report, VPQ, port and flag state control reports, responses to Intertanko's Q88 questionnaire, Lloyds casualty reports, class documentation, OCIMF Tanker Management Self Assessment (TMSA) Status, previous charter history, and the particular requirements for the trade and terminals for the proposed voyage (Νησιώτ, 2021). Charter parties should ensure that the oil majors' decision regarding the vessel's acceptance or rejection is respected, and that any rejection of the vessel does not necessarily mean that the vessel is unsuitable for a charter (Νησιώτ, 2021). Charter parties should include language which clearly states that the oil major's decision regarding the acceptance or rejection of a vessel is

final. The pandemic has also resulted in a decrease in the number of vetting inspections due to travel restrictions, as well as a shift in the focus of these inspections. Charterers are now focusing more on the Ship Operator's safety management practices, rather than the physical condition of the vessel, as they are unable to inspect the vessel firsthand (Νησιώτ, 2021). This has led to an increased emphasis on the importance of Tanker Management Systems and the need for Ship Operators to ensure that their TMSA is up to date and in compliance with the Charterer's vetting requirements. Overall, the pandemic has resulted in a shift in focus for Charterers when vetting vessels and has resulted in an increased reliance on the Ship Operator's Tanker Management System. One potential solution to this problem is to use remote inspection technologies (Νησιώτ, 2021). Remote inspection technologies, such as drones, video-conferencing, and virtual reality, can be used to facilitate the vetting process by allowing Charterers to inspect a vessel remotely. This would allow Charterers to check the condition of the vessel while adhering to travel restrictions and social distancing guidelines. Additionally, remote inspection technologies can also be used to assess the Ship Operator's Tanker Management System, as Charterers can use these technologies to review the TMSA documents and ensure that they are up to date and in compliance with the Charterer's vetting requirements (Νησιώτ, 2021). Overall, remote inspection technologies can be used to facilitate the vetting process and ensure that Charterers are able to perform an adequate assessment of the vessel and the Ship Operator's Tanker Management System, even in the midst of the pandemic.

Shippers can benefit from dynamic vessel vetting in addition to manual offshore inspections. This provides a wealth of information about behavioural risks such as port calls, dark activity, night sailing, voyage irregularities, and more (Νησιώτ, 2021). Advanced technology enables you to go beyond industry standard static data and gain dynamic insights based on real-time data. Machine learning is used by AI software to evaluate hundreds of real-time data points such as AIS transmitters, radar signals, and imagery data. These Know Your Vessel (KYV) insights clearly show the

risks associated with a specific ship or fleet of ships, making it easier to find a ship that meets all safety and environmental standards. Dynamic vessel vetting with AI is incredibly useful for charterers. It provides a wealth of information that can be used to make informed decisions when selecting a vessel for a charter (Νησιώτ, 2021). By having access to real-time data, charterers can make sure that the vessels they are chartering have not only met industry standard safety and environmental requirements, but also that they are not engaging in risky behavior such as night sailing or port calls in unsafe areas. This insight also allows charterers to avoid vessels with a history of voyage irregularities, as this can lead to potential delays and other problems. In addition, charterers can use dynamic vessel vetting to compare different vessels and fleets to determine which is the best option based on price, safety, and other factors.

The vetting process has become a necessary part of the shipping industry, particularly for oil and chemical shipments. It is an important safety net that helps to ensure the quality of vessels and prevent accidents and pollution, often more effectively than legislation. Harmonizing the policies and procedures of the major oil and chemical companies is necessary to make the process more efficient and equitable for all parties involved.

Contractual aspects of vetting have been difficult to balance, with charterers and cargo owners demanding strict clauses, while owners often want milder formulations (Malmberg, 2008). Organizations like INTERTANKO and BIMCO have been working to create fair and balanced clauses, but the strength of the oil and chemical industries and the presence of sub-standard ships has undermined their efforts (Malmberg, 2008). Courts and arbitrators have taken a hard line, emphasizing that vetting is a fact of life that owners must accept and adhere to or not do business in the industry (Malmberg, 2008).

The presence of a vetting inspection report in SIRE has become a common standard, and the absence of one can be argued to affect the seaworthiness of a vessel

(HOUVARDAS, 2017). This common practice has also been argued to create a duty of care on the part of charterers and cargo owners for oil pollution incidents. While the industry maintains that vetting is voluntary, case law and general legal principles have shown that such standards can create liabilities (Nikaki, 2020).

Overall, the benefits of a well-functioning vetting policy are far greater than any potential liabilities. It is an invaluable part of the safety net for the industry and further efforts should be made to harmonize the procedures and policies of the major oil and chemical companies. This will help to ensure the safety and quality of vessels and ultimately, help prevent accidents and pollution.

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Appendix-A

Survey

Thank you for taking the time to participate in this survey. Your answers will be used to help understand the effectiveness of the tanker vetting process from the perspective of charterers. All answers will be kept strictly confidential.

1. What challenges have you faced in vetting tankers for your charterer?

A. Technical Challenges

B. Regulatory Challenges

C. Legal Requirements

D. Lack of Resources

E. Other

2. What improvements do you think could be made to the tanker vetting process?

A. Simplifying the Process

B. Improving the Documentation

C. Improving the Communication

D. Improving the Transparency

E. Other

3. The tanker vetting process is effective in ensuring that ships hired by charterers are safe and meet regulations

1. Strongly Agree
2. Agree
3. Neutral

4. Disagree
5. Strongly Disagree

4. The tanker vetting process is efficient and effective in meeting the requirements of the charterer

1. Strongly Agree
2. Agree
3. Neutral
4. Disagree
5. Strongly Disagree

5. The legal requirements for tanker vetting have kept pace with the demands of the charterer

1. Strongly Agree
2. Agree
3. Neutral
4. Disagree
5. Strongly Disagree

6. The tanker vetting process is meeting the needs of the charterer in terms of safety and efficiency

1. Strongly Agree
2. Agree
3. Neutral
4. Disagree
5. Strongly Disagree

INTERVIEW QUESTION

1. What challenges have you faced in vetting tankers for your charterer?
2. How have you navigated the regulatory requirements for vetting tankers?

3. What legal requirements have you had to consider when vetting tankers?

4. How have you managed the lack of resources when vetting tankers?

5. What sources of information have you relied on when vetting tankers?

6. How have you assessed the risk associated with a vessel and its operations?

7. What criteria have you used to evaluate tankers for chartering?

8. How have you responded to the oil major's vetting decision?

9. What procedures do you follow to ensure that the vetting process is conducted properly?

10. What systems and procedures do you have in place to maintain the highest possible standards when vetting tankers?

11. What changes would you suggest to improve the tanker vetting process?

[Open-ended response]