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LEGAL OPINION

Agreement for the management of a third party's vessel / master / chief engineer

A vessel's management was entrusted to a managing company, which orally agreed for the provision of bunkers to the managed vessel.

In case of bunkering, the supplier sued owners seeking the bunkers price, under an agreement signed by the chief engineer.

The agreement provided for the liability of mote parties involved (owners, charterers, managers). Dispute having arisen, binding nature of the chief engineer's signature was examined.

It was found that, while the master does bind the owner, acting as the latter's representative, the chief engineer did not; to do so, he should have express delegate authority by the master which did not apply in this case. The chief engineer's signature was valid for issues of his competence, ie accuracy of quantity and quality of the bunkers received. Accordingly, the liability provisions of the agreement had no binding effect.

Piraeus One-membered Court of Appeal judgment no 247/2020, Judge: Th. Karakatsanis, Attorneys at law: Th. Sioufas, G. Iatridis, Maritime Law Review vol. 48, p. 296.

NOTE: Management of a vessel by a third party, ie outside the owner's group of companies, can be technical, commercial or both.

*The legal column was written by Manolis Eglezos, Attorney at law,
Manolis Eglezos & Associates Law Firm, Attorneys at Law and Consultants*