

# STORM OVER TRADE ROUTES

CHARTERPARTY CHALLENGES AMID PERSIAN GULF TENSIONS



NAVIGATING TROUBLED WATERS

MARITIME LAW

WAR RISKS

CHARTER PARTIES

## Storm Over Trade Routes: Charterparty Challenges Amid Persian Gulf Tensions

*The outbreak of hostilities in the Persian Gulf has sent shockwaves through global shipping markets, raising urgent legal questions for shipowners and charterers. From safe port obligations to war risk clauses and force majeure, contractual frameworks are being tested in real time.*

### A Region on Edge

On 28 February 2026, US and Israeli air strikes against Iran triggered a sweeping Iranian counter-offensive involving missile and drone attacks on multiple Gulf states — Saudi Arabia, Qatar, Bahrain, the UAE, and Kuwait. While ships were not the initial targets, the conflict rapidly disrupted commerce throughout the Persian Gulf, casting a shadow over the Strait of Hormuz, one of the world's most critical maritime chokepoints.

By 1 March, the UK insurance market had issued Notices of Cancellation of War Risks covering Iranian waters, the Persian Gulf, and the Gulf of Oman — a move that crystallised the severity of the threat and set the stage for a cascade of difficult contractual decisions.

### Safe Ports Under Time Charters: Who Bears the Risk?

Under time charterparties, charterers carry the fundamental obligation to nominate safe ports — a duty that may be express or implied. Where a nominated port is unsafe, the shipowner may reject those orders and demand alternatives. Persistent failure to do so could constitute a repudiatory breach, entitling the owner to terminate and claim damages.

The legal standard originates in *The Eastern City* (1958): a port is safe only if a vessel can reach, use, and depart from it without exposure to unavoidable danger through the exercise of ordinary seamanship. *Brostrom v Dreyfus* (1932) adds nuance — safety is always assessed relative to the specific vessel, its dimensions, condition, and cargo.

This vessel-specific analysis is especially relevant today. Intelligence suggests that certain flags or ownership profiles face elevated scrutiny at the Strait of Hormuz, meaning a port that is perfectly safe for one vessel may be genuinely unsafe for another. Ships currently outside the Gulf should treat Persian Gulf ports as presumptively unsafe; conversely, vessels already inside face similar uncertainty regarding ports beyond the Strait.

## **CONWARTIME and VOYWAR: Contractual Shields Against Conflict**

Most modern charterparties incorporate BIMCO's war risk clauses. CONWARTIME 2025 (for time charters) and VOYWAR 2025 or 2013 (for voyage charters) both permit masters and owners to refuse orders that would expose the vessel, crew, or cargo to war-related risks — whether actual or threatened.

Given the sharp escalation in hostilities and the withdrawal of insurance cover, owners are on strong ground invoking CONWARTIME to avoid transiting the Strait of Hormuz. For vessels already in the Gulf, the decision requires a case-by-case risk assessment under the clause's framework, with careful attention to the precise contractual wording.

Under VOYWAR, owners must notify charterers of any intended deviation, though charterer consent is not required. Where a re-routed voyage materially increases distance, freight may be adjusted proportionally. A key threshold for VOYWAR 2013 is that the risk must have substantially escalated after the charterparty was concluded — a condition the February 2026 crisis almost certainly satisfies.

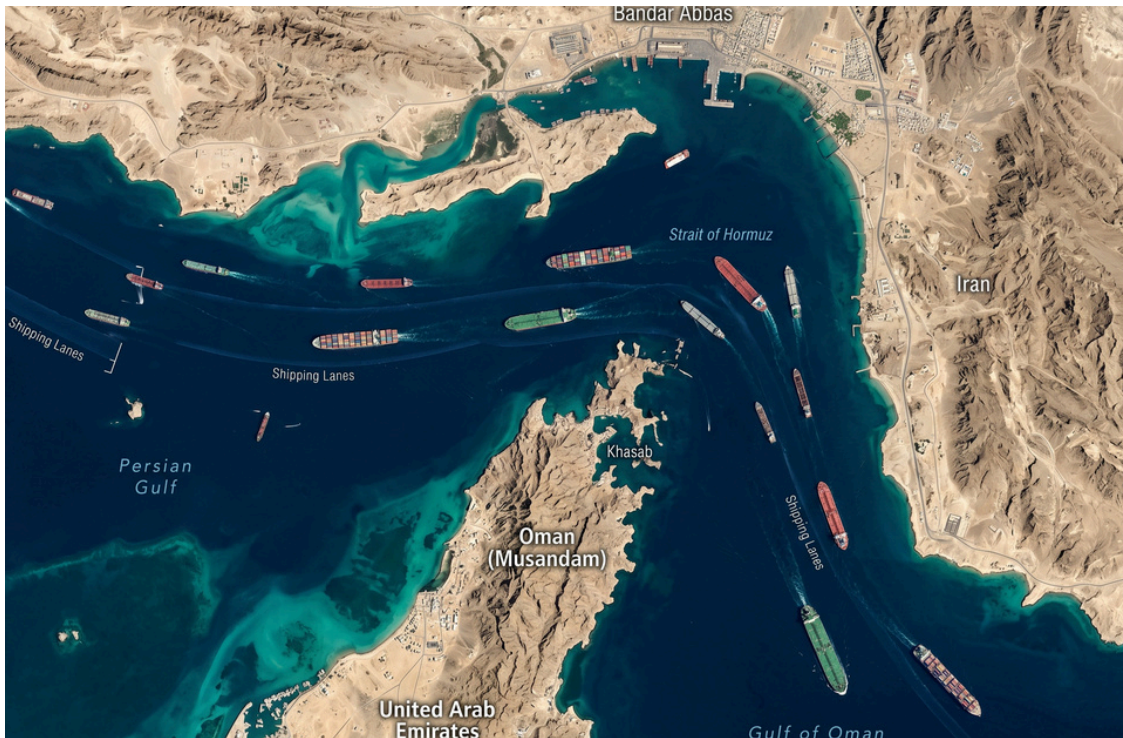
## **Force Majeure and Frustration: Last Resorts?**

Where war risk clauses offer no remedy, parties may look to force majeure or the common law doctrine of frustration. Under English law, force majeure has no automatic existence — it depends entirely on express contractual provision. Where it applies, strict notice requirements must be observed; missing a deadline can extinguish the right to rely on it.

Frustration steps in where there is no force majeure clause and an unforeseen event renders performance impossible or radically different from what was contracted for. Mere inconvenience or increased cost is insufficient. Short-term time charters and voyage charters focused on the affected region are most

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susceptible; long-term contracts with alternative trading routes available are unlikely to qualify.



### *Key Takeaways for Operators*

1. **Review port safety in real time** — the standard is vessel-specific and fact-sensitive.
2. **Check your war risk clause version** — CONWARTIME 2025 and VOYWAR 2025 contain important updates.
3. **Comply with notification obligations** — under both VOYWAR and force majeure provisions.
4. **Assess frustration carefully** — contract duration and available alternatives are decisive.
5. **Seek early legal advice** — financial exposure in this environment is significant.

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