

CONVERSIONCON - BIMCO's New Standard Form Conversion Contract

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BIMCO has launched CONVERSIONCON, a standard form conversion contract for the conversion of ships.

Ship conversion typically occurs in two scenarios: when a shipowner expects future hire or freight rates will not justify incurring the capital costs of a newbuilding to service a particular opportunity and decides instead to convert an existing vessel; or where an existing vessel can be repurposed to a more profitable use. In recent years, energy related projects have been a frequent driver for conversions, for example in the oil and gas arena numerous conversions of vessels into FPSOs or FRSUs, and in the offshore renewable energy arena the conversion of various ships and drilling units to offshore support vessels, crane and installation vessels to be used on offshore renewable projects.

Vessels can undergo conversions ranging from small-scale modifications to full-scale conversions that completely change the Vessel's design and purpose. It is more akin to ship repair than ship construction (particularly as it relates to works to be undertaken to an existing vessel, the title of which already rests with the Owners) and as a result BIMCO had previously directed parties using the BIMCO suite of documents to utilise the REPAIRCON 2018 (BIMCO's standard contract for ship repairs) as the starting point for preparing a conversion contract, rather than use NEWBUILDCON (BIMCO's standard shipbuilding contract). As a result, a number of clauses contained in the CONVERSIONCON are very closely aligned to those of REPAIRCON 2018.

[Read the full article here.](#)