

New Lloyd's Open Form (LOF) fee charging structure



16th November 2022

Lloyd's Salvage Arbitration Branch (LSAB) will be revising their fee charging structure. LSAB currently only charges a 'time' based fee (i.e. an hourly rate) for each Lloyd's Open Form (LOF) case they manage/support.

With effect from 1 January 2023, in addition to this 'time' based fee, Lloyd's will be introducing a new LOF management/oversight fee. This new LOF management/oversight fee will be calculated based upon the total salvaged value of a LOF casualty – hull, cargo and bunkers. On this basis the new fee will be calculated based upon the 'level of benefit' that has been achieved as result of LOF being utilised.



The LOF management/oversight fee will be calculated as follows:

- **0.025% of the total salvaged value (with a minimum fee of £1,000 and a maximum fee of £10,000 per LOF)**

The expectation is that for each casualty where LOF has been utilised, parties will agree to share the total salvaged value(s) with LSAB. This information will be treated as confidential and will not be shared with any other external party.

The introduction of this new fee structure will assist in subsidising the running costs incurred by Lloyd's to provide the maritime sector with the benefit of the LOF framework.