

CFCFA Board Members Standard Review Meeting: Review of the Proposed 10 CFCFA Recommended Standards

CFCFA Board Members Standards Review Meeting
15th August 2017 | Tashkent, Uzbekistan



Session 1 :

Presentation on the CFCFA on the CFCFA Standards

- Capt. Lin Zhong, CFCFA Chairman

Session 2 :

Presentation by ADB Consultant on findings from Review of the 10 CFCFA developed Standards & Discussion by CFCFA Board Members

- Thomas SIM, ADB Consultant (Chairman, FIATA-ABVT)

Objective & Purpose of Review :

- ✓ Pursue adoption of international best practices in transport and logistics to enhance professionalism and efficiency amongst CAREC Road Carriers and Freight Forwarding members;
- ✓ An objective and empirical reviews of the designs of the proposed CFCFA's Standards (9 standards) to be adopted by CFCFA to be in conformance with international standards and practices;

Objective & Purpose of Review :

- ✓ To analyze existing gaps and make recommendations for development of formal training programmes (capacity-building efforts) to cover the underpinning knowledge so that practitioners and operators in CAREC can effectively apply the full aspects of the stated knowledge and competencies in the CFCFA Standards; and
- ✓ To facilitate the exchanges of comments between CFCFA members for the approval and the eventual adoption of the final Standards amongst CFCFA memberships.

Overview of Review & Assessment :

Reviews focused on (3 Main Areas) :

1. Correct Syntax Errors & Editions
2. Technical Discrepancy & Omission
3. Recommendation – Acquisition of Essential Underpinning Knowledge & Skills (*for future Training Requirements*)

Standards 001 to 010 (except for 007 – for CPMM)

CFCFA Recommendation Standard 001: Guidelines on the Preparation for International Freight Forwarding Documents

*Standards 001 to 010 (except for 007)

CFCFA Board Members Standards Review Meeting
15th August 2017 | Tashkent, Uzbekistan



Standard 001 : 'Guidelines on the Preparation for International Freight Forwarding Documents'

Correct Syntax Errors & Editions :

- ✓ Require **Proper Editions** with Sign-posting, standard spacings, consistent paragraphing, etc.;
- ✓ Spell-checks, Right-Left Margin-justifications, etc.;
- ✓ **Correct Use** of Words, Tenses, Verbs, etc.;
- ✓ **Delete repetitions** of words, phrases etc.;

Standard 001 : 'Guidelines on the Preparation for International Freight Forwarding Documents'

Technical Discrepancy & Omission :

- ✓ Clarification require on the word “**non L/C, payment terms**” – Pg.1 #3 vs Pg.2 #8.1 & #8.2 “**consistency between L/C and Contract**” ?
- ✓ On Pg.5, #12.1.1 under ‘**Key Data Items**’ – to include the negotiated ‘**ICC Incoterms**’ between the Seller and Buyer. It must indicate fully and clearly the ICC INCOTERM series, the INCOTERM and the Named Place;

Standard 001 : 'Guidelines on the Preparation for International Freight Forwarding Documents'

Technical Discrepancy & Omission :

- ✓ On Pg.5, #12.1.1 under '**Key Data Items**' – in the case of ambiguous definition of Incoterms with regards to procurement of Cargo Insurance, the Seller and Buyer should decide on who will procure the cargo insurance and specify clearly in this section;
- ✓ On Pg. 6, #12.1.2(s) under '**Specific Requirements**' – after '**...place of origin and destination...**', to add '**port(s)/point(s) of entry**' and '**port(s)/point(s) of discharge**' into this sentence;

Standard 001 : **‘Guidelines on the Preparation for International Freight Forwarding Documents’**

Technical Discrepancy & Omission :

- ✓ On Pg.7, #12.2.1(n) under **‘Key Data Items’** – to amend **‘Gross weight, net weight and measurement’** to **‘Gross weight, net weight and physical measurements in “Length x Weight x Height” of each packages’**;
- ✓ On Pg.7, #12.2.1(i) under **‘Key Data Items’** – to replace **‘container number’** with **‘Cargo Transport Unit (CTU) number’**. Note that all and any references to **‘Container’** in all other clauses can be amended to **‘CTU’**. Refer to **‘IMO Code of Practice for Packing of CTUs (CTU Code)’** which I had provided...;

Standard 001 : 'Guidelines on the Preparation for International Freight Forwarding Documents'

Technical Discrepancy & Omission :

- ✓ On Pg.8, #12.3.1 under '**Key Data Items**' – to insert additional clause, '**In case of transport of Dangerous Goods / Hazardous Substances, the relevant Commodity or Proper Shipping Name (PSN), UN/INCO Class must be indicated in accordance to the regulations for the transport of DGs in the respective modes of transport (e.g. IATA DGR, IMO IMDG Code, ADR, RID, etc.)**';

Note: it is assumed that the operators have already successfully undertaken the relevant Dangerous Goods / Hazardous Substances Training Course and are current with the necessary conformances and are competent in handling DG/Hazardous Substances. Otherwise, it is mandatory that he/she complete the respective DG Training Programmes before actually handle DG/Hazardous Substances (including all Shore-**side personnel...**).

Standard 001 : 'Guidelines on the Preparation for International Freight Forwarding Documents'

Technical Discrepancy & Omission :

- ✓ On Pg.9, on item (w) **“Declared value for carriage, declared value for the Customs”** – Operators should have a thorough knowledge of Risk Management, Transport Liability Insurance/Cargo Insurance and International Conventions Governing the Transport of Goods via the different modes, and the concept of Valuation before he/she is able complete this item;



Standard 001 : 'Guidelines on the Preparation for International Freight Forwarding Documents'

Technical Discrepancy & Omission :

- ✓ On Pg.11(d) 3rd para – **“An air transport document shall indicate the date of issuance. This date will be deemed to be the date of shipment unless the air transport document contains a specific notation of the actual date of shipment, in which case the date stated in the notation will be deemed to be the date of shipment. Any other information appearing on the air transport document relative to the flight number and date shall not be considered in **determining the date of shipment.**”** **Fact** – Operators should understand that this may not be correct for air transport as the **AWB's 'date of issuance' is in fact the Cargo Receipt Date and not the 'Date of Shipment' as indicated herewith ! Therefore, vocational training for this AWB (air transport documentation) **underpinning knowledge may be required for Operators...;****

Standard 001 : 'Guidelines on the Preparation for International Freight Forwarding Documents'

Technical Discrepancy & Omission :

- ✓ On Pg.13, 12.4 title – '**Insurance Document**' to amend to '**Cargo Insurance Document**'.

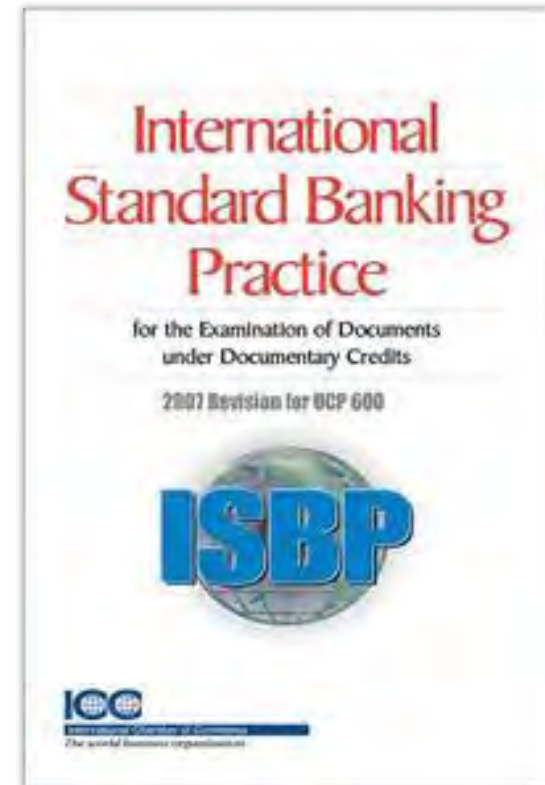


Standard 001 : 'Guidelines on the Preparation for International Freight Forwarding Documents'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Operators should familiarize with the following documents (trade and transport publications):

- ✓ International Standard Banking Practice for the Examination of Documents under Documentary Credits, ISBP (ICC 681);



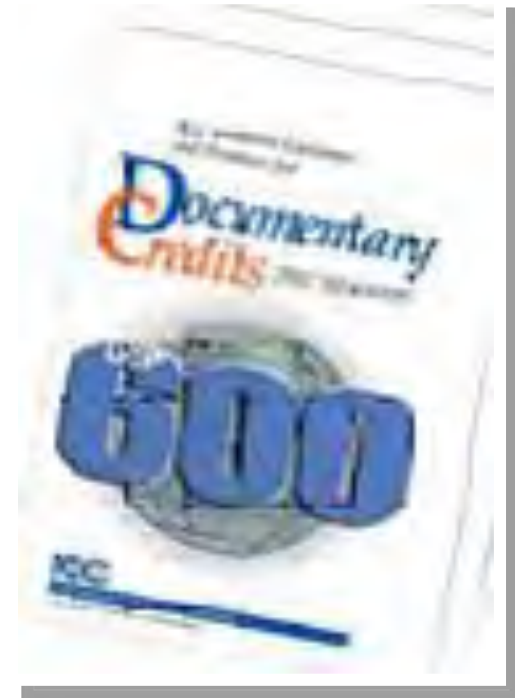
Standard 001 : 'Guidelines on the Preparation for International Freight Forwarding Documents'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Operators should familiarize with the following documents (trade and transport publications):

- ✓ Uniform Customs and Practice for Commercial Documentary Credits (UCP)-ICC Publication No. 600, UCP 600 (ICC 600);

**Users' Handbook for
Documentary Credits
under UCP 600**

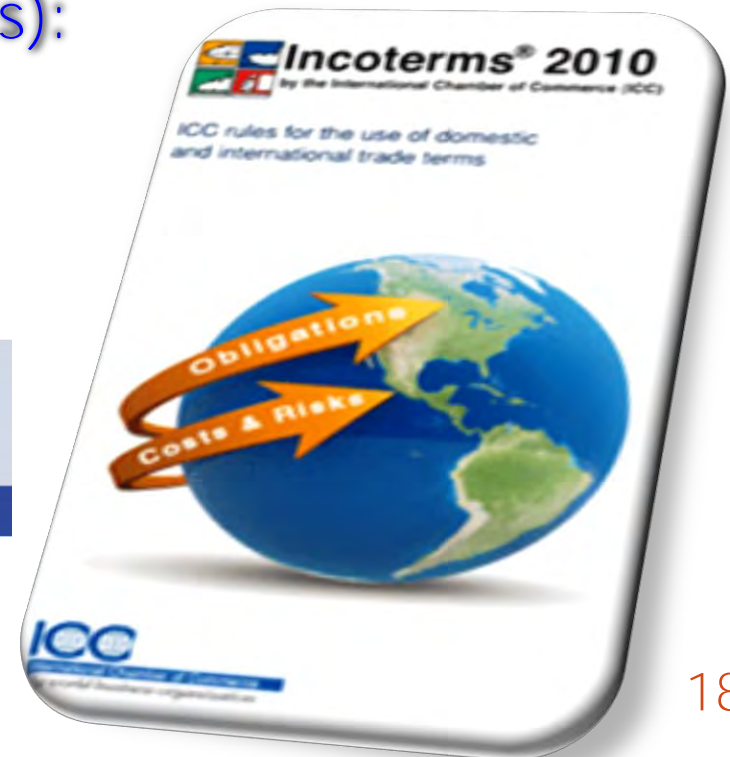


Standard 001 : 'Guidelines on the Preparation for International Freight Forwarding Documents'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Operators should familiarize with the following documents (trade and transport publications):

✓ ICC INCOTERMS 2010;



Standard 001 : 'Guidelines on the Preparation for International Freight Forwarding Documents'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Operators should familiarize with the following documents (trade and transport publications):

✓ FIATA Multimodal Transport Documents;

✓ The Use and Interpretations of Transport Documents

CFCFA Board Members Standards Review Meeting
15th August 2017 | Tashkent, Uzbekistan

FIATA Multimodal Transport Bill of Lading (FBL) form specimen. The form is light blue and contains fields for Consignor, Consignee, Place of receipt, Place of discharge, Marks and numbers, and other details. It includes the FIATA logo and the text 'MULTIMODAL TRANSPORT BILL OF LADING'.

FIATA FCT (Forwarder's Certificate of Transport) form specimen. The form is yellow and contains fields for Consignor, Consignee, and other details. It includes the FIATA logo and the text 'FIATA FCT Forwarder's Certificate of Transport'.

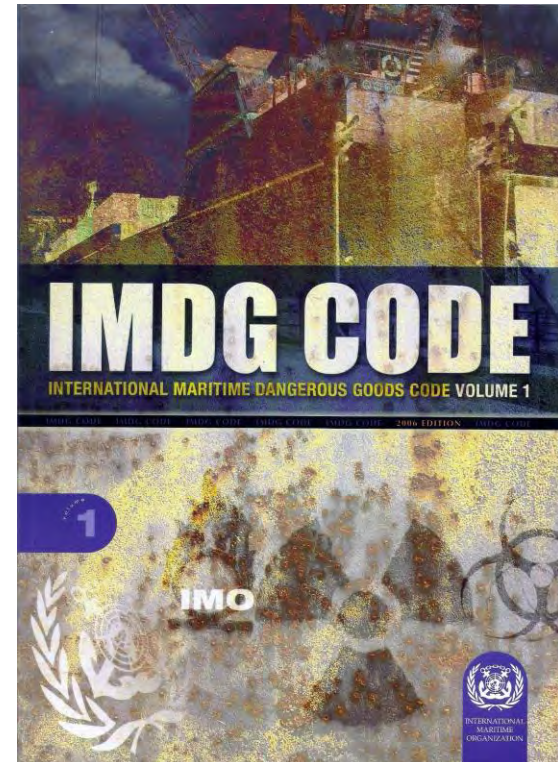
FIATA FCR (Certificate of Receipt) and FIATA SDT (Shipper's Declaration for the Transport of Dangerous Goods) forms specimen. The FCR form is green and the SDT form is white with red borders. Both forms include fields for Consignor, Consignee, and other details. They include the FIATA logo and the text 'FIATA FCR Certificate of Receipt' and 'FIATA SDT SHIPPER'S DECLARATION FOR THE TRANSPORT OF DANGEROUS GOODS'.

Standard 001 : 'Guidelines on the Preparation for International Freight Forwarding Documents'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Operators should familiarize with the following documents (trade and transport publications):

- ✓ The Dangerous Goods/Hazardous Substances Training Course in the respective modes of transports (e.g. IATA DGR for Air Transport, IMO-IMDG Code for Maritime Transport, the ADR for Road Transport, RID for Rail Transport, and ADN for Inland Waterway Transport);

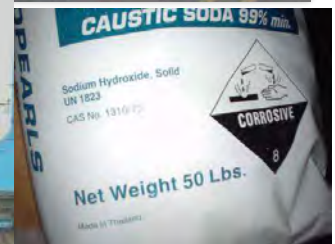


Standard 001 : 'Guidelines on the Preparation for International Freight Forwarding Documents'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Operators should familiarize with the following documents (trade and transport publications):

- ✓ Risks Management, Transport Liability Insurance, Cargo Insurance, Standard Trading Conditions (STCs) and the Concept of Valuation declaration



Standard 001 : 'Guidelines on the Preparation for International Freight Forwarding Documents'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Correct interpretations of all the mentioned requirements is extremely important for practitioners of international trade, as such, it is recommended that they should attend formal training to appreciate the full application aspects of these mentioned knowledge and competencies.



Tianjin Port 2015

Standard 001 : 'Guidelines on the Preparation for International Freight Forwarding Documents'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

It is hoped that with good underpinning knowledge and correct interpretations of the subject-matters, practitioners will understand the risks and liabilities clearly and take the necessary precautionary actions to avoid and mitigate risks involved in their day-to-day executions of their businesses. In order for them to conform fully to all the Standards as stated herein, practitioners and operators must be fully conversant to the necessary skills and underpinning knowledge.



Standard 001 : 'Guidelines on the Preparation for International Freight Forwarding Documents'

Open Discussion

- CFCFA Board Members

CFCFA Recommendation Standard 002:

‘International Logistics Liability Insurance — Basic Elements of Carrier Liability Insurance’

*Standards 001 to 010 (except for 007)

CFCFA Board Members Standards Review Meeting
15th August 2017 | Tashkent, Uzbekistan



Standard 002 : 'International Logistics Liability Insurance — Basic Elements of Carrier Liability Insurance'

Correct Syntax Errors & Editions :

- ✓ Require **Proper Editions** with Sign-posting, standard spacings, consistent paragraphing, etc.,
- ✓ Spell-checks, Right-Left Margin-justifications, etc.,
- ✓ The line separations on numerous pages are **inconsistent**, with erroneous number breaks (erroneous space) which may misguide readers, e.g. Pg.29 & Pg.30;

Standard 002 : 'International Logistics Liability Insurance — Basic Elements of Carrier Liability Insurance'

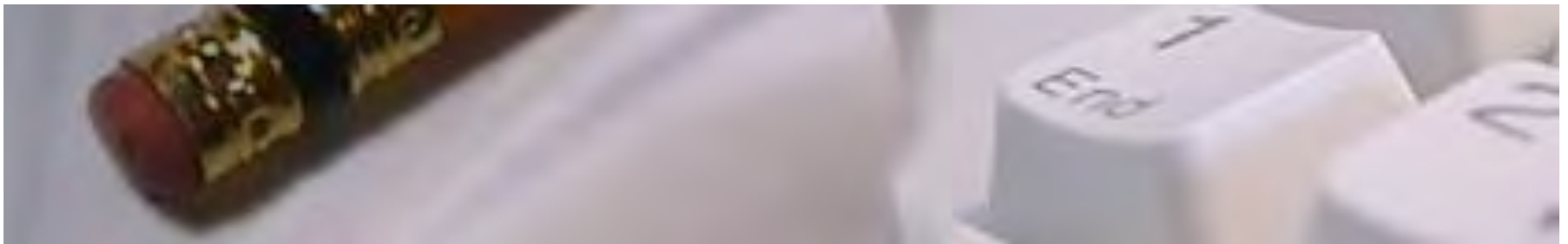
Correct Syntax Errors & Editions :

- ✓ On Pg.10, item 8.1.(e) – replace 'moldingness' to 'moldiness';
- ✓ On Pg.15 and Pg.16 (Annex A) – showing '**International Freight Forwarding B/L Liability Insurance Policy**' instead of '**Carriers Liability Insurance**'? This is Standard 002 which titled '**Carrier Liability Insurance**'? In the context of the articles, there was consistent mentions and references of '**international freight forwarding business**' – **Please clarify...?**,

Standard 002 : 'International Logistics Liability Insurance — Basic Elements of Carrier Liability Insurance'

Correct Syntax Errors & Editions :

- ✓ **On Pg.18 (Annex C), 'C.1.1' first line** – to replace '*fulfill*' with '**fulfil**'; this should be repeated for the erroneous spelling of this same word found in **C.1.2, C.1.2.a), C.1.2.b), C.2.1, C.2.2.b), C.2.8.a) and D3, D5, D6 as well...;**



Standard 002 : 'International Logistics Liability Insurance — Basic Elements of Carrier Liability Insurance'

Technical Discrepancy & Omission :

- ✓ The Preamble can include the following draft – ***“In light of the global changes and trade liberalization in the last two decades which has taken place at a dynamic speed of change, rapid transformations has taken place from the demands of the global traders, exporters / shippers, importers / consignees, etc. This has not only changes the types of services which the traditional customs brokers and freight forwarders, but also has in the process transformed both the provisions of more structured in comprehensive levels of services into one which integrates not only the materials flows, but also extensions of information flows and financial flows. The freight forwarders of today is no longer just acting as ‘an Agent’, but has been transformed to act ‘as Principal’. As such, his is now exposed to and facing a vicarious liability regime, which covers on only the negligence of his immediate employees, but also those of which he sub-contract his services to”;***

Standard 002 : 'International Logistics Liability Insurance — Basic Elements of Carrier Liability Insurance'

Technical Discrepancy & Omission :

- ✓ The Preamble can include the following draft – **“A forwarder may, in part, subcontract performances of its services to a bailee, such as warehousemen, who will take possession of the goods. If the subcontractor’s employees negligently cause damage, the owner of the goods can sue the subcontractor directly. Unless the bailment of the goods can sue the subcontractor was contemplated, the owner’s claim will not be limited by the subcontractor’s terms and conditions”;**

Standard 002 : ‘International Logistics Liability Insurance — Basic Elements of Carrier Liability Insurance’

Technical Discrepancy & Omission :

- ✓ The Preamble can include the following draft – **“To avoid being liable without limitation, a subcontractor will often demand that the forwarder reimburse it for any damages it has to pay the customer. The forwarder will have to pay these damages even though it has no direct liability – “Indemnities of the Forwarder’s Sub-Contractors”;**

Standard 002 : 'International Logistics Liability Insurance — Basic Elements of Carrier Liability Insurance'

Technical Discrepancy & Omission :

- ✓ *The Preamble should incorporate the definitions adopted by FIATA on the Freight Forwarding and Logistics Services – ‘means services of any kind relating to the carriage (performed by single mode or multimodal transport means), consolidation, storage, handling, packing or distribution of the Goods as well as ancillary and advisory services in connection therewith, including but not limited to customs and fiscal matters, declaring the Goods for official purposes, procuring insurance of the Goods and collecting or procuring payment or documents relating to the Goods. Freight forwarding services also include logistical services with modern information & communication technology in connection with the carriage, handling or storage of the Goods, and de facto total supply chain management. These services can be tailored to meet the **flexible application of the services provided**” – FIATA doc. CL-04/06 29-10-2004;*

Standard 002 : 'International Logistics Liability Insurance — Basic Elements of Carrier Liability Insurance'

Technical Discrepancy & Omission :

- ✓ **On Pg.5, #3 'Scope" mentioned – '...by medium and large-sized freight forwarding logistics companies...':**
Please clarify:
- ✓ **is this paragraph referring to 'Carrier', rather than 'Freight Forwarding Logistics companies'? (Note that this Standard 002 refers to Carriers' Liabilities...)**

Standard 002 : 'International Logistics Liability Insurance — Basic Elements of Carrier Liability Insurance'

Technical Discrepancy & Omission :

- ✓ On Pg.5, #3 '**Scope**' -
- ✓ Also, is there a particular reason to **exclude SMEs' Carriers (or SMEs' freight forwarding and logistics companies)** in CAREC ? This will clearly marginalize SMEs Operators and may be perceived as discriminatory in **many regimes...** Further, the principle of group carrier-liability insurance scheme works favourably with numbers. Perhaps you may want to consider this inclusion of SMEs Carriers (or Freight Forwarding Logistics **Companies**) in this Standard as well...? They are those enterprises and operators whom need the most help ! Remember, they are budding operators whom may in time to come, progress to become successful **incorporations in CAREC... Today's Carriers and MTO (Multimodal Transport Operators)** are not limited by size, but more accurately by **knowledge and experiences...;**

Standard 002 : 'International Logistics Liability Insurance — Basic Elements of Carrier Liability Insurance'

Technical Discrepancy & Omission :

- ✓ On Pg.6, Point #5 '**Terms & Definitions**' mentioned '**For the purposes of this document, the terms and definitions given in CFCFA Recommendation Standard 003 apply**' – unsure the reason(s) for reference to **Standard 003's Terms and Definitions? No specific Terms & Definitions cited here...? These 2 Standards are different** – Standard 002 for Carriers and Standard 003 for Freight Forwarders...;

Standard 002 : 'International Logistics Liability Insurance — Basic Elements of Carrier Liability Insurance'

Technical Discrepancy & Omission :

- ✓ On Pg.9, #7.4 on '**Legal Cost**' – This is a subjective item, depending on the type(s) of Carriers Liability Cover procured. Kindly clarify if CAREC already has an Insurance Provider whom has agreed to undertake these risks? Or is this just a desirable recommended item for coverage in this standard? (This item has inter-relation with D7 Page 29);



Standard 002 : 'International Logistics Liability Insurance — Basic Elements of Carrier Liability Insurance'

Technical Discrepancy & Omission :

- ✓ On Pg.32, E4 (Annex E) under '**Statute of Limitations**' – '**...insurer to pay indemnity or insurance benefits is two years**'. This looks not to be a regular practice. Is this period tenable and will be acceptable by potential **Insurers? This seems irregular to industry practices...?;**



Standard 002 : 'International Logistics Liability Insurance — Basic Elements of Carrier Liability Insurance'

Technical Discrepancy & Omission :

- ✓ With regards to handling of Special Cargoes e.g. Perishables, Valuables, Live Animals & Plants, etc., there was no mention of the need to affix the correct **Special Cargoes' labels like 'PER', 'VAL' or 'AVI', etc. respectively...?;**

PER

HUM

VAL

AVI

Standard 002 : 'International Logistics Liability Insurance — Basic Elements of Carrier Liability Insurance'

Technical Discrepancy & Omission :

- ✓ There appears to be no mention of the **limits of liability** (whether the minimum or maximum amount of compensation) for the loss or damage to the goods as a result of negligence in the part of the insured..? **Is this an intended case ? It may be ideal to mention this as a standard so that would-be insurers will have a datum to work with...*(it must be noted that in most established Standard Trading Conditions (STCs), this amount(s) of compensation are all listed).***

Standard 002 : 'International Logistics Liability Insurance — Basic Elements of Carrier Liability Insurance'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Operators should familiarize with the following documents (trade and transport publications):

- ✓ **The Roles of Freight Forwarders in the Transport Chain – Rights & Obligations;**



Standard 002 : 'International Logistics Liability Insurance — Basic Elements of Carrier Liability Insurance'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Operators should familiarize with the following documents (trade and transport publications):

- ✓ **Standard Trading Conditions (STCs)** – the importance and its uses, promulgations, limitation of liability and obligations of the Customer and the Carrier (Operator);

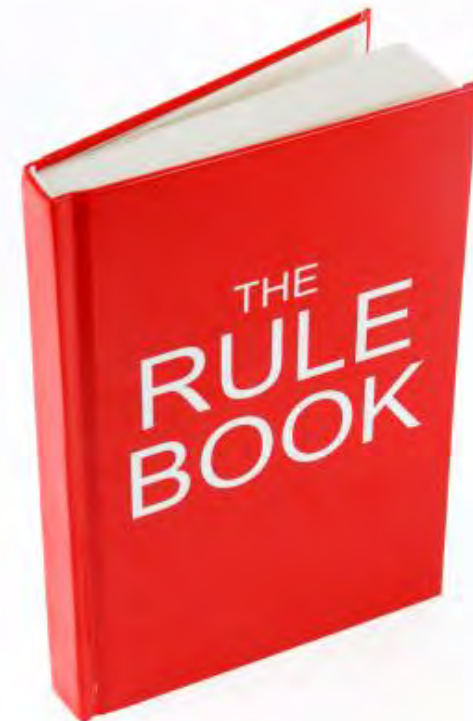


Standard 002 : 'International Logistics Liability Insurance — Basic Elements of Carrier Liability Insurance'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Operators should familiarize with the following documents
(trade and transport publications):

- ✓ **FIATA Model Rules for Freight Forwarding services** – compliance with the UNCTAD/ICC Rules on Multimodal Transport Documents (ICC Pub. 481);



Standard 002 : 'International Logistics Liability Insurance — Basic Elements of Carrier Liability Insurance'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Operators should familiarize with the following documents (trade and transport publications):

- ✓ Legal Classification of the Freight Forwarder – The Forwarder: **'Principal or Agent'** ? The distinction between **'Principal'** and **'Agent'**;



Standard 002 : 'International Logistics Liability Insurance — Basic Elements of Carrier Liability Insurance'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Operators should familiarize with the following documents (trade and transport publications):

- ✓ International Conventions governing the Transport of goods by various modes – its Applications and Jurisdictions;



Standard 002 : 'International Logistics Liability Insurance — Basic Elements of Carrier Liability Insurance'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Operators should familiarize with the following documents (trade and transport publications):

- ✓ Network v. Uniform Theories of Multimodal Liability;
- ✓ COGSA Rules;
- ✓ Bill of Lading Clauses – to include understanding of Paramount Clauses, Himalayan Clause, Precautions, etc.;

Standard 002 : 'International Logistics Liability Insurance — Basic Elements of Carrier Liability Insurance'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Operators should familiarize with the following documents
(trade and transport publications):

- ✓ The Application for Insurance and the Responsibility for Utmost Good Faith (Unberrima Fides);
- ✓ Claims on the Forwarders Policy of Insurance and Claims Handling and Settlements – to develop a Process Flow for Claims Procedures – clear template required;

Standard 002 : 'International Logistics Liability Insurance — Basic Elements of Carrier Liability Insurance'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

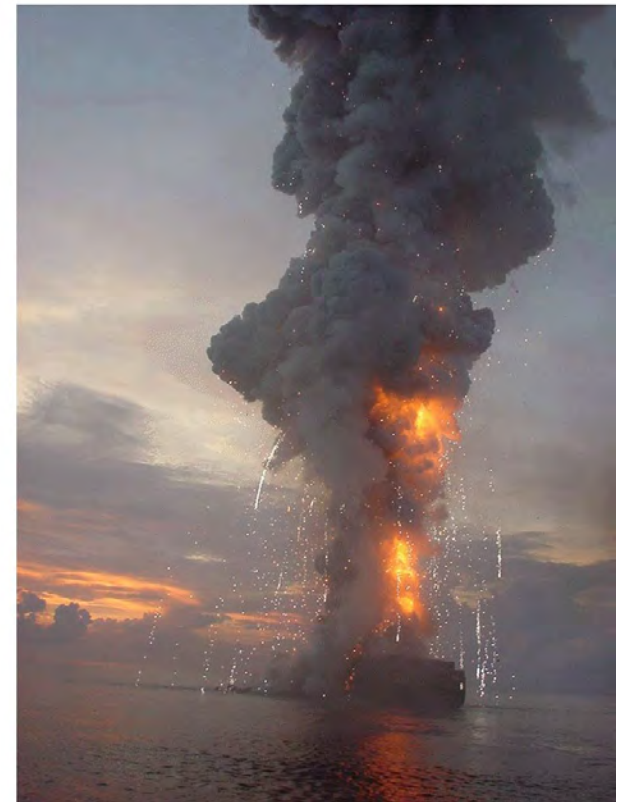
Operators should familiarize with the following documents
(trade and transport publications):

- ✓ Concept of '**caveat emptor**';
- ✓ Concept of Subrogation, including the Rights of Subrogation;
- ✓ Concept of Group Scheme Insurance Covers;;
- ✓ General Average.

Standard 002 : 'International Logistics Liability Insurance — Basic Elements of Carrier Liability Insurance'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Correct interpretations of all the mentioned requirements is extremely important for practitioners of international trade, as such, it is recommended that they **should attend formal training to appreciate the full application aspects of these mentioned knowledge and competencies.**



Standard 002 : 'International Logistics Liability Insurance — Basic Elements of Carriers Liability Insurance'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

It is hoped that with good underpinning knowledge and correct interpretations of the subject-matters, practitioners will understand the risks and liabilities clearly and **take the necessary precautionary actions to avoid and mitigate risks involved in their day-to-day executions of their businesses.** In order for them to conform fully to all the Standards as stated herein, **practitioners and operators must be fully conversant to the necessary skills and underpinning knowledge.**



Standard 002 : 'International Logistics Liability Insurance
— Basic Elements of Carriers Liability Insurance'

Open Discussion

- CFCFA Board Members

CFCFA Recommendation Standard 003:

‘International Logistics Liability Insurance — Basic Elements of Freight Forwarders Liability Insurance’

*Standards 001 to 010 (except for 007)

CFCFA Board Members Standards Review Meeting
15th August 2017 | Tashkent, Uzbekistan



Standard 003 : 'International Logistics Liability Insurance — Basic Elements of Freight Forwarders Liability Insurance'

Correct Syntax Errors & Editions :

- ✓ Require Proper Editions with Sign-posting, standard spacings, consistent paragraphing, etc.;
- ✓ Spell-checks, Right-Left Margin-justifications, etc.;
- ✓ **On Pg.2's Title 'Recommendation 002'** should be changed to **'Recommendation 003'**;
- ✓ **On Pg.9, item 6.3 on 'Legal Cost' – Chinese language text translation missing ?;**

Standard 003 : 'International Logistics Liability Insurance — Basic Elements of Freight Forwarders Liability Insurance'

Correct Syntax Errors & Editions :

- ✓ On Pg.10, item #7.1 – '**...cost and expens or liability...**' should be correctly spelt as '**...cost and expense or liability...**';
- ✓ On Pg.10, item #7.1(e) – '**...moldingness...**' should be correctly spelt as '**...moldiness...**';
- ✓ **On Pg.10, after 'h)', to insert 'i)'** at the start of the sentence '**Losses due to delivery of goods without original of the Bill of Lading, anti-dated Bill of Lading or advanced Bill of Lading.**' as this is a new item (this is actually correctly reflected in the Chinese version);

Standard 003 : 'International Logistics Liability Insurance — Basic Elements of Freight Forwarders Liability Insurance'

Correct Syntax Errors & Editions :

- ✓ On Pg.13, item 10.1.1 – Chinese language text translation missing ?
- ✓ On Pg.19 (Annex C), 'C.2.1' 3rd line – to replace 'fulfill' with '**fulfil**'; this should be repeated for the erroneous spelling of this same word found in Pg.24, **C.2.8.(a)**, and **Pg.26, D3, D5, D6 as well...;**

Standard 003 : 'International Logistics Liability Insurance — Basic Elements of Freight Forwarders Liability Insurance'

Technical Discrepancy & Omission :

- ✓ The Preamble for this Standard 003 appears to be similar to the Preamble for the last Standard 002 ?
Is this intentional ?



Standard 003 : 'International Logistics Liability Insurance — Basic Elements of Freight Forwarders Liability Insurance'

Technical Discrepancy & Omission :

- ✓ If intended to be similar, then the Preamble can include the following draft – ***“In light of the global changes and trade liberalization in the last two decades which has taken place at a dynamic speed of change, rapid transformations has taken place from the demands of the global traders, exporters / shippers, importers / consignees, etc. This has not only changes the types of services which the traditional customs brokers and freight forwarders, but also has in the process transformed both the provisions of more structured in comprehensive levels of services into one which integrates not only the materials flows, but also extensions of information flows and financial flows. The freight forwarders of today is no longer just acting as ‘an Agent’, but has been transformed to act ‘as Principal’. As such, his is now exposed to and facing a vicarious liability regime, which covers on only the negligence of his immediate employees, but also those of which he sub-contract his services to”.***

Standard 003 : 'International Logistics Liability Insurance — Basic Elements of Freight Forwarders Liability Insurance'

Technical Discrepancy & Omission :

- ✓ The Preamble can include the following draft – **“A forwarder may, in part, subcontract performances of its services to a bailee, such as warehousemen, who will take possession of the goods. If the subcontractor’s employees negligently cause damage, the owner of the goods can sue the subcontractor directly. Unless the bailment of the goods can sue the subcontractor was contemplated, the owner’s claim will not be limited by the subcontractor’s terms and conditions”;**

Standard 003 : 'International Logistics Liability Insurance — Basic Elements of Freight Forwarders Liability Insurance'

Technical Discrepancy & Omission :

- ✓ The Preamble can include the following draft – **“To avoid being liable without limitation, a subcontractor will often demand that the forwarder reimburse it for any damages it has to pay the customer. The forwarder will have to pay these damages even though it has no direct liability – “Indemnities of the Forwarder’s Sub-Contractors”;**

Standard 003 : 'International Logistics Liability Insurance — Basic Elements of Freight Forwarders Liability Insurance'

Technical Discrepancy & Omission :

- ✓ *The Preamble should incorporate the definitions adopted by FIATA on the Freight Forwarding and Logistics Services – ‘means services of any kind relating to the carriage (performed by single mode or multimodal transport means), consolidation, storage, handling, packing or distribution of the Goods as well as ancillary and advisory services in connection therewith, including but not limited to customs and fiscal matters, declaring the Goods for official purposes, procuring insurance of the Goods and collecting or procuring payment or documents relating to the Goods. Freight forwarding services also include logistical services with modern information & communication technology in connection with the carriage, handling or storage of the Goods, and de facto total supply chain management. These services can be tailored to meet the **flexible application of the services provided**” – FIATA doc. CL-04/06 29-10-2004;*

Standard 003 : 'International Logistics Liability Insurance — Basic Elements of Freight Forwarders Liability Insurance'

Technical Discrepancy & Omission :

- ✓ **On Pg.3, #3 'Scope' mentioned – '...by medium and large-sized freight forwarding logistics companies...'** : is there a particular reason to exclude SMEs freight forwarding and logistics companies in CAREC ? This will clearly marginalize SMEs Operators and may be perceived as **discriminatory in many regimes...** Further, the principle of group carrier-liability insurance scheme works favourably with numbers. Perhaps you may want to consider this inclusion of SMEs as well...? They are those enterprises and operators whom need most help ! Remember, they are budding operators whom may in time to come, progress as successful **incorporations in CAREC... Today's MTO (Multimodal Transport Operators)** are not limited by size, but more accurately by knowledge and **experiences...;**

Standard 003 : 'International Logistics Liability Insurance — Basic Elements of Freight Forwarders Liability Insurance'

Technical Discrepancy & Omission :

- ✓ On Pg.3, #4.1 mentioned '**Insurance under which the insurance object is the liability of an insured for loss caused by the insured...**' – what about for damage? Perhaps you may want to include this as follows: '**Insurance under which the insurance object is the liability of an insured for loss and/or damage caused by the insured...**' ? There are similar omissions of '**damage**' on Page 9 d), e) and f)....;



Standard 003 : 'International Logistics Liability Insurance — Basic Elements of Freight Forwarders Liability Insurance'

Technical Discrepancy & Omission :

- ✓ On Pg.9, #6.3 on '**Legal Cost**' – This is a subjective item, depending on the type(s) of Freight Forwarders Liability Cover procured. Kindly clarify if CAREC already has an Insurance Provider whom has agreed to undertake these risks ? Or is this just a desirable recommended item for coverage ? (This item has inter-relation with D7 Page 26);



Standard 003 : 'International Logistics Liability Insurance — Basic Elements of Freight Forwarders Liability Insurance'

Technical Discrepancy & Omission :

- ✓ On Pg.29, E4 (Annex E) under '**Statute of Limitations**' – '**...the insurer to pay indemnity or insurance benefits is two years...**'. Is this period tenable and will be acceptable by potential **Insurers? This seems irregular to industry practices...?**
- ✓ With regards to handling of **Special Cargoes** e.g. Perishables, Valuables, Live Animals & Plants, etc., there was no mention of **the need to affix the correct Special Cargoes' labels like 'PER', 'VAL' or 'AVI', etc. respectively...?**

Standard 003 : 'International Logistics Liability Insurance — Basic Elements of Freight Forwarders Liability Insurance'

Technical Discrepancy & Omission :

- ✓ There appears to be no mention of the limits of liability (whether the minimum or maximum amount of compensation) for the loss or damage to the goods as a result of negligence in the part of the insured..? Is this an intended case ? It may be ideal to mention this as a standard so that **would-be insurers will have a datum to work with...**(it must be noted that in most established Standard Trading Conditions (STCs), this amount(s) of compensation is listed.). e.g. See enclosed SLA-STCs Clause 29 a)(i) & (ii) and SAAA-STCs Clause 19.1. *[although I have also noted that in the Clause #9.9 on Page #13 & #14 of the CFCFA Recommendation Standard 005 'International Freight Forwarders Standard Trading Conditions', there is a mention of '...2SDR per gross kilogram of the Goods lost, damaged, misdirected, misdelivered or in respect of which a claim arises.'; however, there is no mention of any maximum ceiling.].*

Standard 003 : 'International Logistics Liability Insurance — Basic Elements of Freight Forwarders Liability Insurance'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Operators should familiarize with the following documents (trade and transport publications):

- ✓ **The Roles of Freight Forwarders in the Transport Chain – Rights & Obligations;**



Standard 003 : 'International Logistics Liability Insurance — Basic Elements of Freight Forwarders Liability Insurance'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Operators should familiarize with the following documents
(trade and transport publications):

- ✓ **Standard Trading Conditions (STCs)** – the importance and its uses, promulgations, limitation of liability and obligations of the Customer and the Carrier (Operator);

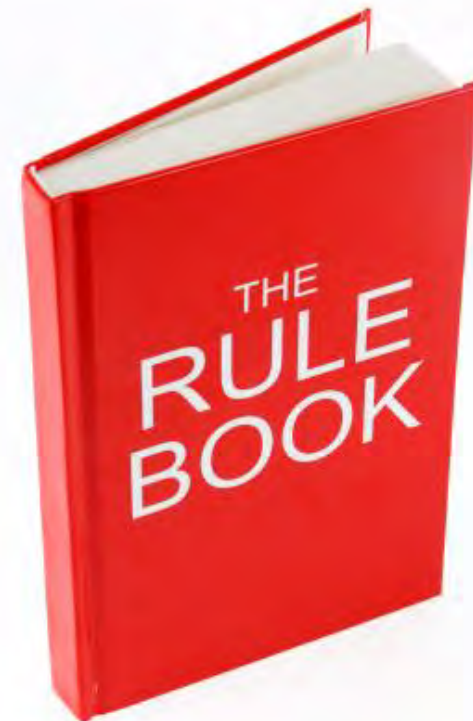


Standard 003 : 'International Logistics Liability Insurance — Basic Elements of Freight Forwarders Liability Insurance'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Operators should familiarize with the following documents (trade and transport publications):

- ✓ **FIATA Model Rules for Freight Forwarding services** – compliance with the UNCTAD/ICC Rules on Multimodal Transport Documents (ICC Pub. 481);



Standard 003 : 'International Logistics Liability Insurance — Basic Elements of Freight Forwarders Liability Insurance'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Operators should familiarize with the following documents (trade and transport publications):

- ✓ Legal Classification of the Freight Forwarder – The Forwarder: **'Principal or Agent'** ? The distinction between **'Principal'** and **'Agent'**;



Standard 003 : 'International Logistics Liability Insurance — Basic Elements of Freight Forwarders Liability Insurance'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Operators should familiarize with the following documents
(trade and transport publications):

- ✓ International Conventions governing the Transport of goods by various modes – its Applications and Jurisdictions;



Standard 003 : 'International Logistics Liability Insurance — Basic Elements of Freight Forwarders Liability Insurance'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Operators should familiarize with the following documents (trade and transport publications):

- ✓ Network v. Uniform Theories of Multimodal Liability;
- ✓ COGSA Rules;
- ✓ Bill of Lading Clauses – to include understanding of Paramount Clauses, Himalayan Clause, Precautions, etc.;

Standard 003 : 'International Logistics Liability Insurance — Basic Elements of Freight Forwarders Liability Insurance'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Operators should familiarize with the following documents (trade and transport publications):

- ✓ The Application for Insurance and the Responsibility for Utmost Good Faith (Unberrima Fides);
- ✓ Claims on the Forwarders Policy of Insurance and Claims Handling and Settlements – to develop a Process Flow for Claims Procedures – clear template required;

Standard 003 : 'International Logistics Liability Insurance — Basic Elements of Freight Forwarders Liability Insurance'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

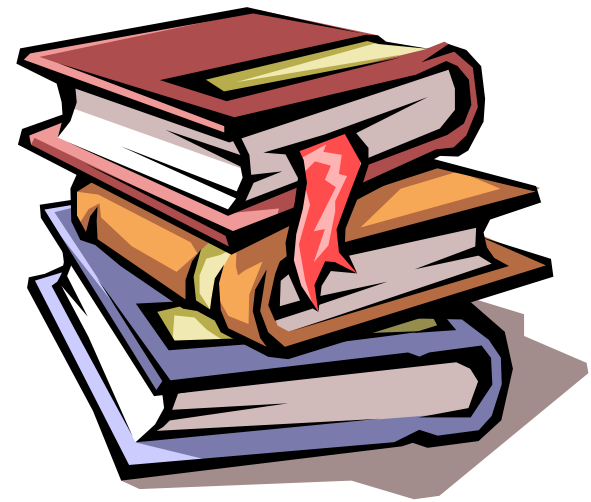
Operators should familiarize with the following documents (trade and transport publications):

- ✓ Concept of '**caveat emptor**';
- ✓ Concept of Subrogation, including the Rights of Subrogation;
- ✓ Concept of Group Scheme Insurance Covers;;
- ✓ General Average.

Standard 003 : 'International Logistics Liability Insurance — Basic Elements of Freight Forwarders Liability Insurance'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Correct interpretations of all the mentioned requirements is extremely important for practitioners of international trade, as such, it is recommended that they should attend formal training to appreciate the full application aspects of these mentioned knowledge and competencies.



Standard 003 : 'International Logistics Liability Insurance — Basic Elements of Freight Forwarders Liability Insurance'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

It is hoped that with good underpinning knowledge and correct interpretations of the subject-matters, practitioners will understand the risks and liabilities clearly and take the necessary precautionary actions to avoid and mitigate risks involved in their day-to-day executions of their businesses. In order for them to conform fully to all the Standards as stated herein, practitioners and operators must be fully conversant to the necessary skills and underpinning knowledge.



Standard 003 : 'International Logistics Liability Insurance
— Basic Elements of Freight Forwarders Liability Insurance'

Open Discussion

- CFCFA Board Members

CFCFA Recommendation Standard 004:

‘Requirements on Container Consolidation Services of International Freight Forwarders’

*Standards 001 to 010 (except for 007)

CFCFA Board Members Standards Review Meeting
15th August 2017 | Tashkent, Uzbekistan



Standard 004 : 'Requirements on Container Consolidation Services of International Freight Forwarders'

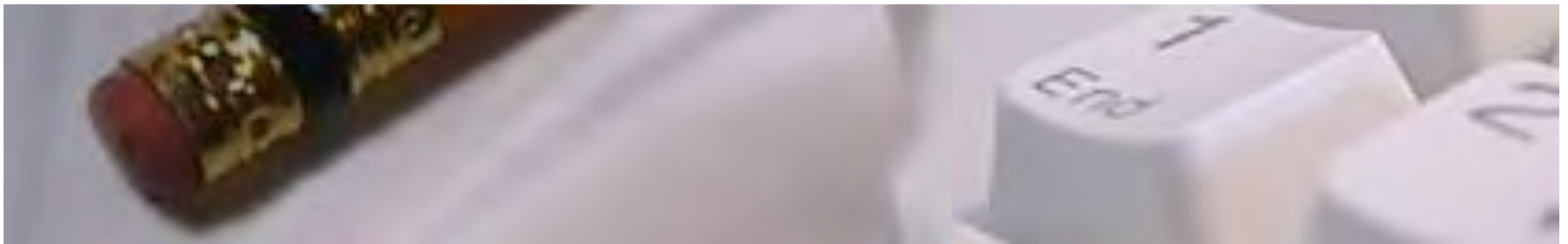
Correct Syntax Errors & Editions :

- ✓ Require Proper Editions with Sign-posting, standard spacings, consistent paragraphing, etc.;
- ✓ Spell-checks, Right-Left Margin-justifications, etc.;
- ✓ On Pg.#9, item #9.9.2 – '**stuffing** warehouser' should be replaced by '**stuffing warehouse operator**';
- ✓ On Pg.#9, item, #9.10.1.2 – '**copy of bll of lading**' should be correctly spelt as '**copy of bill of lading**';

Standard 004 : 'Requirements on Container Consolidation Services of International Freight Forwarders'

Correct Syntax Errors & Editions :

- ✓ On Pg.#12, item #10.5.1, #10.5.3 and #10.6.2 – **'stuffing warehouse'** should be replaced by **'stuffing warehouse operator'**;



Standard 004 : 'Requirements on Container Consolidation Services of International Freight Forwarders'

Technical Discrepancy & Omission :

- ✓ For Transport documents relating to Consolidation Services, there was no mentioned of the FCR – **Forwarders' Certificate of Receipt**. This is an important document issued by the Consolidator, **especially for Buyers' Consolidation, whereby the Consolidator acts as a Buyers' Consolidator representing the interests of the Overseas' Buyer.** The FCR may be a required document for the **interests of the various/multiple Shippers' whom already released their consignments to the appointed Buyers' Consolidator.** Reference can also be made to the FIATA FCR which fulfil this requirement entirely. The FCR is an official acknowledgement of the goods received by the forwarder. **The forwarder assumes responsibility for the dispatch and delivery to the consignee named in the document;**

Standard 004 : 'Requirements on Container Consolidation Services of International Freight Forwarders'

Technical Discrepancy & Omission :

- ✓ The FCR is essentially not a negotiable document as the delivery of the consignment to the consignee does not depend on the surrender of this document. This document bears on its reverse the standard trading conditions applicable to the country where it is issued;

Standard 004 : 'Requirements on Container Consolidation Services of International Freight Forwarders'

Technical Discrepancy & Omission :

- ✓ When issuing the FCR, the freight forwarder should ensure that :
 - the specified consignment specified has been received by him or his agent and that the right of disposal of the goods is vested solely in him;
 - the goods appear to be in good order and condition;
 - the details in the document clearly correspond with the instructions he has received; and
 - the conditions on the freight documents (B/L etc.) are not contrary to the obligations he has assumed under the FCR.;

Standard 004 : 'Requirements on Container Consolidation Services of International Freight Forwarders'

Technical Discrepancy & Omission :

✓ The FCR contains the following information:

- name of supplier's or forwarder's principals;
- name and address of consignee;
- mark and numbers;
- number and kind of packages;
- description of goods;
- gross weight;
- measurement; and
- place and date of issue.

Suppliers or Forwarders Principal

FIATA FCR
Forwarders No. []
Certificate of Receipt
ORIGINAL Form Ref. []

Consignee

Marks and numbers | Number and kind of packages | Description of goods | Gross weight | Measurement

Remarks

Place and date of issue

Instructions as to freight and charges

Standard 004 : 'Requirements on Container Consolidation Services of International Freight Forwarders'

Technical Discrepancy & Omission :

- ✓ The FCR can be handed to the consignor immediately after the consignment is received by the forwarder;



Standard 004 : 'Requirements on Container Consolidation Services of International Freight Forwarders'

Technical Discrepancy & Omission :

- ✓ With regards to item #9.1 '**Acceptance of Consignment**' (on Page 5) – these full sets of items should also be clearly listed in the Standard Trading Conditions (STCs) from which the CAREC operator will be used in their day-to-day businesses [these are usually listed clearly in most STCs promulgated by national associations and operators alike – see enclosed SLA STCs Clause 8, 9, 10, 11, 12, 28a) (iii), (iv) & (v), and SAA-STCs Clause 22, 23, 24 & 25];

Standard 004 : 'Requirements on Container Consolidation Services of International Freight Forwarders'

Technical Discrepancy & Omission :

- ✓ On Page 8, '**Stuffing**' item 9.7.4 last line – should add that in case wood packaging materials are used for container-packings (e.g. Timber packaging/dunnage includes crates, cases, pallets, skids, and any other timber used as a shipping aids etc.), a Packing Declaration must be formally declared (See enclosed sample Packing Declaration Form). If Heat Treatment or Fumigation is being introduced, Certification must be accompanied with the shipment. Packaging material such as straw, bamboo, peat, hay, chaff, used fruit & vegetable cartons are not permitted – these is in conformance with the International Plant Protection Convention (IPPC) International Standards for Phytosanitary Measures-15 (ISPM-15) requirements which must be conformed to. **This shall be shared in my separate presentation on IPPC ISPM-15 at this afternoon Session 3...*

Standard 004 : 'Requirements on Container Consolidation Services of International Freight Forwarders'

Technical Discrepancy & Omission :

- ✓ On Pg.9, item 9.8 '**Loading Goods on Board**' – with the introduction and the mandatory compliance towards the International Maritime Organization (IMO) Safety Of Life at Sea (SOLAS) Verified Gross Mass (VGM) requirements since 1st July 2016; it may be imperative that mandatory verification of the gross mass of packed containers be conformed to. The gross mass of a packed container must be verified (by written declaration) by the shipper prior to loading on a ship. The Shipper is responsible for providing the verified weight by stating it in the shipping document and submitting it to the master or his representative and to the terminal representative sufficiently in advance to be used in the preparation of the ship stowage plan. (See enclosed sample of VGM Declaration Form).

Standard 004 : 'Requirements on Container Consolidation Services of International Freight Forwarders'

Technical Discrepancy & Omission :

- ✓ The requirement to VGM of packed containers applies to all containers to which the CSC (International Convention for Safe Containers) applies. This includes standard sea freight containers, tank containers, flat racks and bulk containers. FIATA has also since developed "The FIATA Verification of Container Weights Toolkit" published in the FIATA Review No. 109 of October 2015. If the LCL or FCL from CAREC countries is finally intended for shipment by sea, then this requirement is mandatory and shall require the Shipper from CAREC countries to adopt the necessary weight verification actions and declarations. *This shall be shared in my separate presentation on IMO-SOLASVGM during this afternoon Session 3...

Standard 004 : 'Requirements on Container Consolidation Services of International Freight Forwarders'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

FIATA Documents – various types of FIATA Transport Documents. There is no international uniformity in the documentary procedures followed in freight forwarding or in the format and contents of the documents which have been commercially created. Nevertheless, efforts have been made by the International Federation of Freight Forwarders' Association (FIATA) to promote the use of uniform freight forwarding documents and thereby improve professional standards. FIATA has evolved several documents which are aligned with the United Nations Economic Commission for Europe (ECE) layout and with the International Chamber of Commerce (ICC);



Standard 004 : 'Requirements on Container Consolidation Services of International Freight Forwarders'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Approved the use of the FIATA Documents (e.g. the FIATA FBL – FIATA Negotiable Multimodal Transport Bills of Lading). Ever since the publication of the ICC-UCP 400 series, the ICC specifically recognized the FBL. This recognition had two consequences. Firstly, Article 25d. referred to the FBL as an acceptable document. In the previous UCP400, other forwarder transport documents were not acceptable unless issued by a freight forwarder acting as a carrier or agent of a named carrier. Secondly, the ICC logo appeared on the FBL. The later revision to the UCP500 and UCP600 drops any reference to the FBL, a striking omission considering that the FBL is the **worlds' most frequently used combined transport document;**

Standard 004 : 'Requirements on Container Consolidation Services of International Freight Forwarders'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

- ✓ The Concept of Cargo Consolidation;
- ✓ Maritime Containers – Container Specifications Types, Limits & Payloads;
- ✓ Truck Configurations – Types, Specifications, Loads and Limits in CAREC;
- ✓ Rolling Stocks – Types, Specifications, Loads and Limits in CAREC;
- ✓ Unit Load Devices (ULDs) – Types, Specifications, Loads and Limits;

Standard 004 : 'Requirements on Container Consolidation Services of International Freight Forwarders'

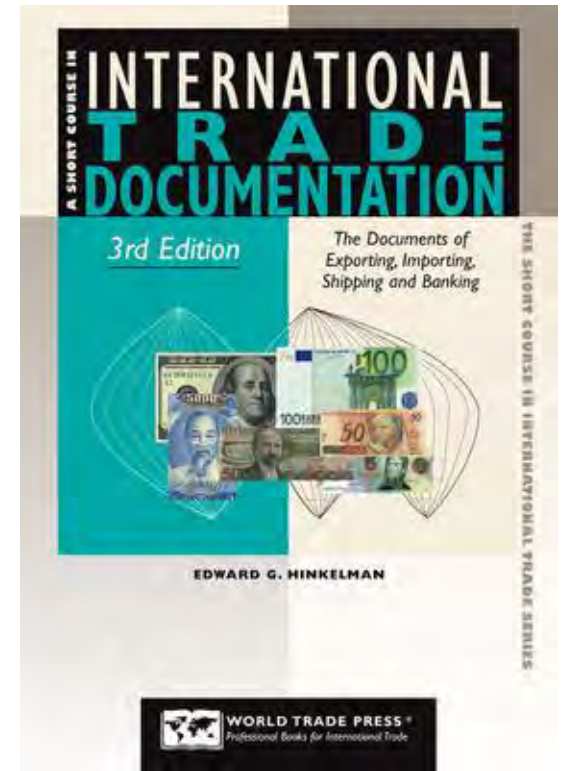
Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

- ✓ **FIATA Model Rules for Freight Forwarding services** – compliance with the UNCTAD/ICC Rules on Multimodal Transport Documents (ICC Pub. 481);
- ✓ **Bill of Lading Clauses** – to include understanding of Paramount Clauses, Himalayan Clause, Precautions, etc.;
- ✓ **IMO-SOLAS VGM**; and
- ✓ **IPPC ISPM-15 Rules**, etc.

Standard 004 : 'Requirements on Container Consolidation Services of International Freight Forwarders'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Correct interpretations of all the mentioned requirements is extremely important for practitioners of international trade, as such, it is recommended that they **should attend formal training to appreciate the full application aspects of these mentioned knowledge and competencies.**



Standard 004 : 'Requirements on Container Consolidation Services of International Freight Forwarders'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

It is hoped that with good underpinning knowledge and correct interpretations of the subject-matters, practitioners will understand the risks and liabilities clearly and take the necessary precautionary actions to avoid and mitigate risks involved in their day-to-day executions of their businesses. In order for them to conform fully to all the Standards as stated herein, practitioners and operators must be fully conversant to the necessary skills and underpinning knowledge.



Standard 004 : 'Requirements on Container Consolidation Services of International Freight Forwarders'

Open Discussion

- CFCFA Board Members

CFCFA Recommendation Standard 005: **‘International Freight Forwarders’ Standard Trading Conditions’**

*Standards 001 to 010 (except for 007)

CFCFA Board Members Standards Review Meeting
15th August 2017 | Tashkent, Uzbekistan



Standard 005 : 'International Freight Forwarders' Standard Trading Conditions'

Correct Syntax Errors & Editions :

- ✓ Require Proper Editions with Sign-posting, standard spacings, consistent paragraphing, etc.;
- ✓ Spell-checks, Right-Left Margin-justifications, etc.;
- ✓ On Pg.#5, item #6.3 d) – to delete the repetition '**...such as...**';
- ✓ On Pg.#9, item #6.12.2 – replace '**...Customer...**' with '**...Goods...**';

Standard 005 : 'International Freight Forwarders' Standard Trading Conditions'

Correct Syntax Errors & Editions :

- ✓ On Pg.#10, between item #7.2 & #6.3 – remove '7.1';
- ✓ On Pg.#17, 'Bibliography' item #2 – replace 'The UN Commission on Trade Law (UNCITRAL)...' with 'The UN Commission on International Trade Law (UNCITRAL)...

Standard 005 : 'International Freight Forwarders' Standard Trading Conditions'

Technical Discrepancy & Omission :

- ✓ On Pg.#3, item #4.7 – recommended to insert **'International Air Transport Association Dangerous Goods Regulations (IATA DGR), ADR and RID'** as goods carried to/from CAREC may occasionally be delivered via the Air Transport mode, Road or Rail Transport Mode;



Standard 005 : 'International Freight Forwarders' Standard Trading Conditions'

Technical Discrepancy & Omission :

- ✓ On Pg.#6, item 6.5, 6.6, 6.7 and 6.8 - these are usually listed clearly in most STCs promulgated by national associations and operators alike – for references, see enclosed SLA STCs Clause 8, 9, 10,11, 12, 28a) (iii), (iv) & (v), and SAA-STCs Clause 22, 23, 24 & 25;

Standard 005 : 'International Freight Forwarders' Standard Trading Conditions'

Technical Discrepancy & Omission :

- ✓ Suggest to include the provision of Company a right to levy a **Valuation Charge** for stating the Value of the Goods on the transport documents. This will **proportionately limit the Company's liability** for damage or loss of the Goods in case the Customer insist on the declaration of value on the transport document(s); ;



Standard 005 : 'International Freight Forwarders' Standard Trading Conditions'

Technical Discrepancy & Omission :

- ✓ With the introduction and the mandatory compliance towards the International Maritime Organization (IMO) Safety Of Life at Sea (SOLAS) Verified Gross Mass (VGM) requirements since 1st July 2016; it may be imperative that mandatory verification of the gross mass of packed containers be conformed to. The gross mass of a packed container must be verified (by written declaration) by the shipper prior to loading on a ship. The Shipper is responsible for providing the verified weight by stating it in the shipping document and submitting it to the master or his representative and to the terminal representative sufficiently in advance to be used in the preparation of the ship stowage plan. (See enclosed sample of VGM Declaration Form).

Standard 005 : 'International Freight Forwarders' Standard Trading Conditions'

Technical Discrepancy & Omission :

- ✓ The requirement to VGM of packed containers applies to all containers to which the CSC (International Convention for Safe Containers) applies. This includes standard sea freight containers, tank containers, flat racks and bulk containers. FIATA has also since developed "The FIATA Verification of Container Weights Toolkit" published in the FIATA Review No. 109 of October 2015. If the LCL or FCL from CAREC countries is finally intended for shipment by sea, then this requirement is mandatory and shall require the Shipper from CAREC countries to adopt the necessary weight verification actions and declarations. *This shall be shared in my separate presentation on IMO-SOLASVGM during this afternoon Session 3...

Standard 005 : 'International Freight Forwarders' Standard Trading Conditions'

Technical Discrepancy & Omission :

- ✓ Suggest to include in this Recommended Standards, the mandatory completion of a Weight Declaration by the Customer prior to the collection or delivery of the Goods to the Company for shipping. This will then be in line with the IMO-SOLAS VGM (See enclosed sample of VGM Declaration Form);



Standard 005 : 'International Freight Forwarders' Standard Trading Conditions'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

- ✓ Network Liability System;
- ✓ Calculations of Valuation;
- ✓ International Conventions governing the Transport of goods by various modes – its Applications and Jurisdictions – to understand the UN Commission on International Trade Law (UNCITRAL);

Standard 005 : 'International Freight Forwarders' Standard Trading Conditions'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Operators should familiarize with the following documents
(trade and transport publications):

- ✓ **Standard Trading Conditions (STCs) – the importance and its uses, promulgations, limitation of liability and obligations of the Customer and the Carrier (Operator);**

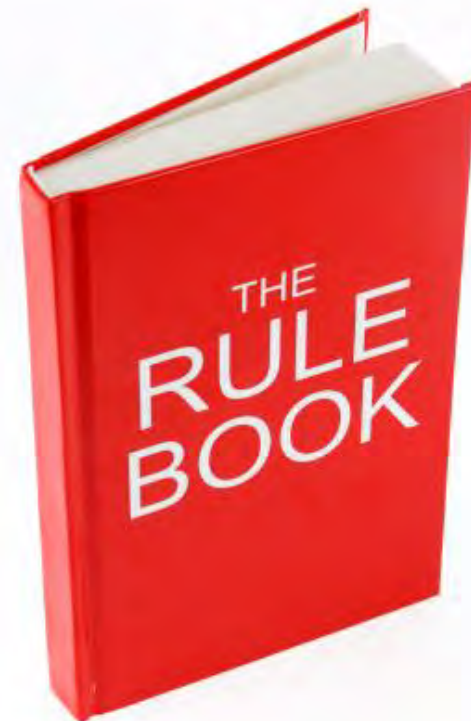


Standard 005 : 'International Freight Forwarders' Standard Trading Conditions'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Operators should familiarize with the following documents (trade and transport publications):

- ✓ FIATA Model Rules for Freight Forwarding services – compliance with the UNCTAD/ICC Rules on Multimodal Transport Documents (ICC Pub. 481);



Standard 005 : 'International Freight Forwarders' Standard Trading Conditions'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Operators should familiarize with the following documents (trade and transport publications):

- ✓ Legal Classification of the Freight Forwarder – The Forwarder: **'Principal or Agent'** ? The distinction between **'Principal'** and **'Agent'**;



Standard 005 : 'International Freight Forwarders' Standard Trading Conditions'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Operators should familiarize with the following documents (trade and transport publications):

- ✓ International Conventions governing the Transport of goods by various modes – its Applications and Jurisdictions;



Standard 005 : 'International Freight Forwarders' Standard Trading Conditions'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Operators should familiarize with the following documents (trade and transport publications):

- ✓ Network v. Uniform Theories of Multimodal Liability;
- ✓ COGSA Rules;
- ✓ Bill of Lading Clauses – to include understanding of Paramount Clauses, Himalayan Clause, Precautions, etc.;

Standard 005 : 'International Freight Forwarders' Standard Trading Conditions'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Operators should familiarize with the following documents (trade and transport publications):

- ✓ The Application for Insurance and the Responsibility for Utmost Good Faith (Unberrima Fides);
- ✓ Claims on the Forwarders Policy of Insurance and Claims Handling and Settlements – to develop a Process Flow for Claims Procedures – clear template required;

Standard 005 : 'International Freight Forwarders' Standard Trading Conditions'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

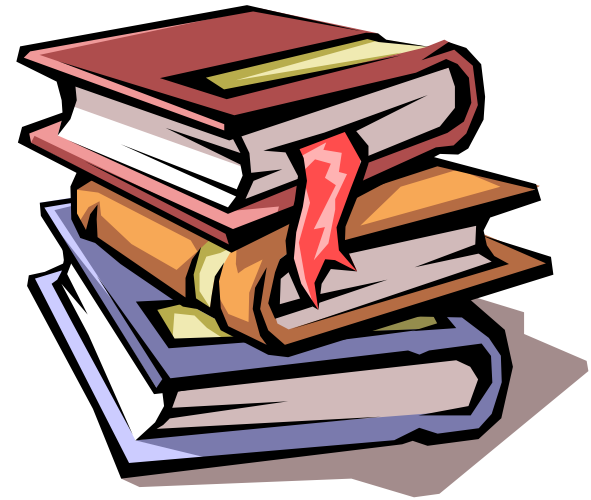
Operators should familiarize with the following documents (trade and transport publications):

- ✓ Concept of '**caveat emptor**';
- ✓ Concept of Subrogation, including the Rights of Subrogation;
- ✓ Concept of Group Scheme Insurance Covers;;
- ✓ General Average.

Standard 005 : 'International Freight Forwarders' Standard Trading Conditions'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Correct interpretations of all the mentioned requirements is extremely important for practitioners of international trade, as such, it is recommended that they should attend formal training to appreciate the full application aspects of these mentioned knowledge and competencies.



Standard 005 : 'International Freight Forwarders' Standard Trading Conditions'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

It is hoped that with good underpinning knowledge and correct interpretations of the subject-matters, practitioners will understand the risks and liabilities clearly and take the necessary precautionary actions to avoid and mitigate risks involved in their day-to-day executions of their businesses. In order for them to conform fully to all the Standards as stated herein, practitioners and operators must be fully conversant to the necessary skills and underpinning knowledge.



Standard 005 : 'International Freight Forwarders'
Standard Trading Conditions'

Open Discussion

- CFCFA Board Members

CFCFA Recommendation Standard 006:

'Model Terms and Conditions of Contracts for International Freight Forwarders'

*Standards 001 to 010 (except for 007)

CFCFA Board Members Standards Review Meeting
15th August 2017 | Tashkent, Uzbekistan



Standard 006 : 'Model Terms and Conditions of Contracts for International Freight Forwarders'

Correct Syntax Errors & Editions :

- ✓ Require Proper Editions with Sign-posting, standard spacings, consistent paragraphing, etc.;
- ✓ Spell-checks, Right-Left Margin-justifications, etc.;
- ✓ Correct Use of Words, Tenses, Verbs, etc.;
- ✓ Delete repetitions of words, phrases etc.;

Standard 006 : 'Model Terms and Conditions of Contracts for International Freight Forwarders'

Technical Discrepancy & Omission :

- ✓ No particular omission or significant discrepancy observed.

Standard 006 : 'Model Terms and Conditions of Contracts for International Freight Forwarders'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Operators should familiarize with the following documents (trade and transport publications):

- ✓ **Standard Trading Conditions (STCs)** – the importance and its uses, promulgations, limitation of liability and obligations of the Customer and the Carrier (Operator);

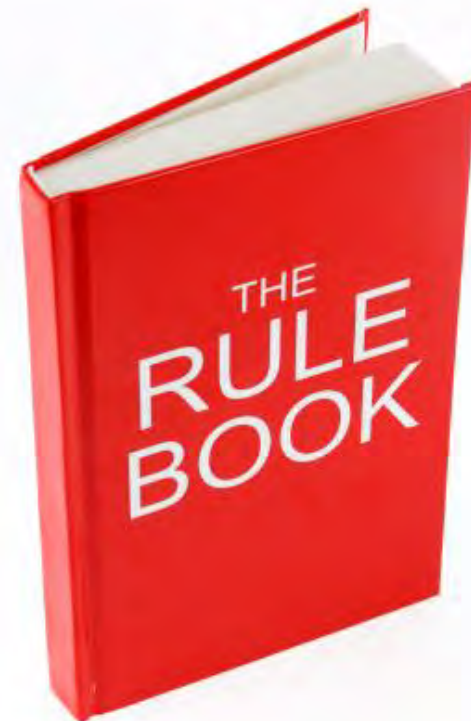


Standard 006 : 'Model Terms and Conditions of Contracts for International Freight Forwarders'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Operators should familiarize with the following documents (trade and transport publications):

- ✓ **FIATA Model Rules for Freight Forwarding services** – compliance with the UNCTAD/ICC Rules on Multimodal Transport Documents (ICC Pub. 481);



Standard 006 : 'Model Terms and Conditions of Contracts for International Freight Forwarders'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Operators should familiarize with the following documents (trade and transport publications):

- ✓ Legal Classification of the Freight Forwarder – The Forwarder: 'Principal or Agent' ? The distinction between 'Principal' and 'Agent';



Standard 006 : 'Model Terms and Conditions of Contracts for International Freight Forwarders'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Operators should familiarize with the following documents (trade and transport publications):

- ✓ International Conventions governing the Transport of goods by various modes – its Applications and Jurisdictions;



Standard 006 : 'Model Terms and Conditions of Contracts for International Freight Forwarders'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Operators should familiarize with the following documents (trade and transport publications):

- ✓ Network v. Uniform Theories of Multimodal Liability;
- ✓ COGSA Rules;
- ✓ Bill of Lading Clauses – to include understanding of Paramount Clauses, Himalayan Clause, Precautions, etc.;

Standard 006 : 'Model Terms and Conditions of Contracts for International Freight Forwarders'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Operators should familiarize with the following documents (trade and transport publications):

- ✓ The Application for Insurance and the Responsibility for Utmost Good Faith (Unberrima Fides);
- ✓ Claims on the Forwarders Policy of Insurance and Claims Handling and Settlements – to develop a Process Flow for Claims Procedures – clear template required;

Standard 006 : 'Model Terms and Conditions of Contracts for International Freight Forwarders'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

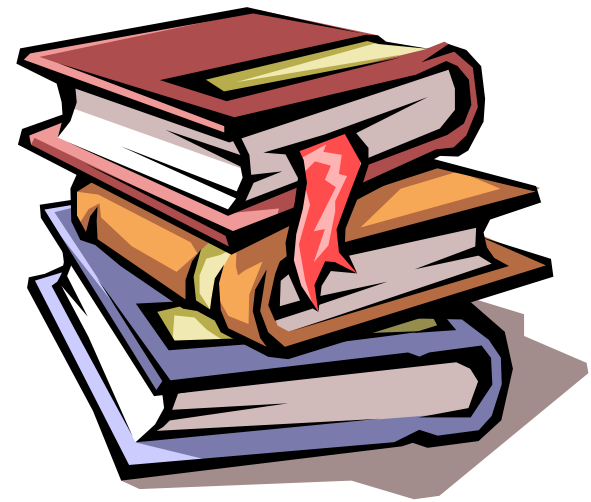
Operators should familiarize with the following documents (trade and transport publications):

- ✓ Concept of '**caveat emptor**';
- ✓ Concept of Subrogation, including the Rights of Subrogation;
- ✓ Concept of Group Scheme Insurance Covers;;
- ✓ General Average.

Standard 006 : 'Model Terms and Conditions of Contracts for International Freight Forwarders'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Correct interpretations of all the mentioned requirements is extremely important for practitioners of international trade, as such, it is recommended that they should attend formal training to appreciate the full application aspects of these mentioned knowledge and competencies.



Standard 006 : 'Model Terms and Conditions of Contracts for International Freight Forwarders'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

It is hoped that with good underpinning knowledge and correct interpretations of the subject-matters, practitioners will understand the risks and liabilities clearly and take the necessary precautionary actions to avoid and mitigate risks involved in their day-to-day executions of their businesses. In order for them to conform fully to all the Standards as stated herein, practitioners and operators must be fully conversant to the necessary skills and underpinning knowledge.



Standard 006 : 'Model Terms and Conditions of Contracts for International Freight Forwarders'

Open Discussion

- CFCFA Board Members

CFCFA Recommendation Standard 008:

'Coding Rule for Carrier Identifier'

*Standards 001 to 010 (except for 007)

CFCFA Board Members Standards Review Meeting
15th August 2017 | Tashkent, Uzbekistan



Standard 008 : 'Coding Rule for Carrier Identifier'

Correct Syntax Errors & Editions :

- ✓ Require Proper Editions with Sign-posting, standard spacings, consistent paragraphing, etc.;
- ✓ Spell-checks, Right-Left Margin-justifications, etc.;
- ✓ Correct Use of Words, Tenses, Verbs, etc.;
- ✓ Delete repetitions of words, phrases etc.;

Standard 008 : 'Coding Rule for Carrier Identifier'

Technical Discrepancy & Omission :

- ✓ Pg.#2, item 5.1.2 – it appears that the title '**Type of Carrier**' does not correctly or accurately depicts the content '**Mode of Transport adopted by the Carrier**' ? If this content is to be maintained, then it would be more appropriate to change the title to '**Type of Carriage**'. I have noted also that this is also described on Page #4 item 6.2.3, Page #5 item 7.1, Table 1 Page #6 is also depicting this inaccurate description

Standard 008 : 'Coding Rule for Carrier Identifier'

Technical Discrepancy & Omission :

- ✓ Pg.#2, last line – '**AWB** - International Air Transport Association (IATA) Air **Waybill**'. It must be noted that there is no 'IATA Airwaybill' **as per se**; if it is intended to mean that the Airwaybill as issued by IATA Member-**Airlines**' **accredited agents** as a Consignment Note to evidence the contract of carriage, then it should be correctly and accurately described as **AWB – 'a Consignment Note issued by IATA Member-Airlines' accredited Agents**';

Standard 008 : 'Coding Rule for Carrier Identifier'

Technical Discrepancy & Omission :

- ✓ I noticed that Pg.#9 '**Bibliography**' #(2) refers to '**INCOTERMS 2000**'. With the passage of time, it would be more appropriate to make references on the ICC **INCOTERMS 2010** (since we are now in 2017..!);



Standard 008 : 'Coding Rule for Carrier Identifier'

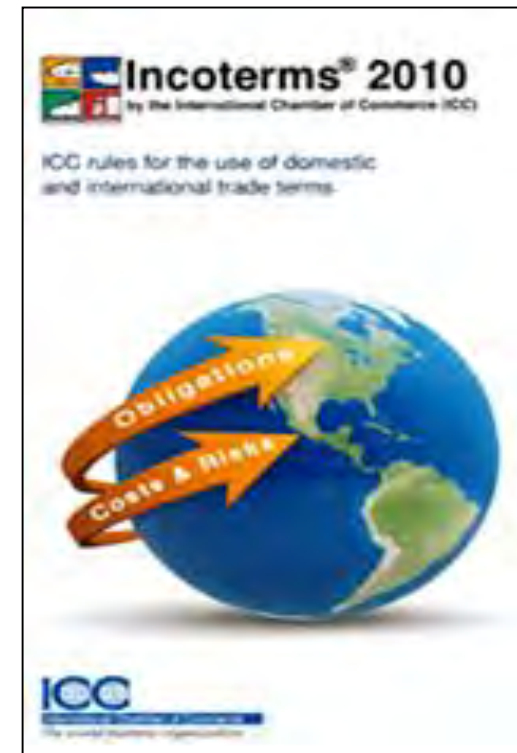
Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Operators should familiarize with the following documents (trade and transport publications):

- ✓ International Rules for the Interpretation of Trade Terms of 2010, (INCOTERMS 2010);



CFCFA Board Members Standards Review Meeting
15th August 2017 | Tashkent, Uzbekistan



Standard 008 : 'Coding Rule for Carrier Identifier'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Operators should familiarize with the following documents (trade and transport publications):

- ✓ ISO 7372 Trade Data Elements Directory—Standard Data Element (TDED).



ISO 7372:2005

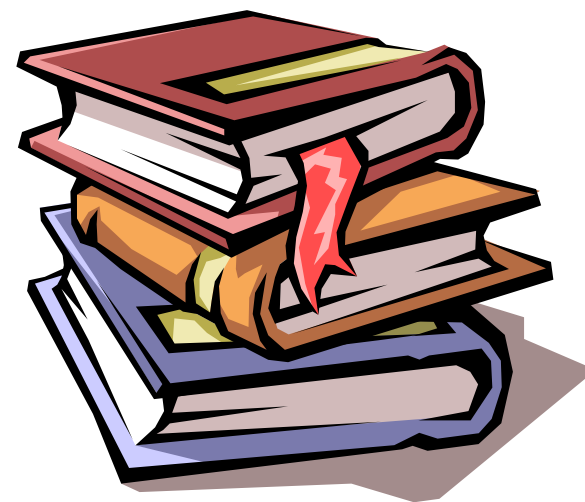
[Preview](#)

Trade data interchange -- Trade data elements directory

Standard 008 : ‘Coding Rule for Carrier Identifier’

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Correct interpretations of all the mentioned requirements is extremely important for practitioners of international trade, as such, it is recommended that they should attend formal training to appreciate the full application aspects of these mentioned knowledge and competencies.



Standard 008 : ‘Coding Rule for Carrier Identifier’

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

It is hoped that with good underpinning knowledge and correct interpretations of the subject-matters, practitioners will understand the risks and liabilities clearly and take the necessary precautionary actions to avoid and mitigate risks involved in their day-to-day executions of their businesses. In order for them to conform fully to all the Standards as stated herein, practitioners and operators must be fully conversant to the necessary skills and underpinning knowledge.



Open Discussion

- CFCFA Board Members

CFCFA Recommendation Standard 009:

‘Coding Rule for Documents Identifier’

*Standards 001 to 010 (except for 007)

CFCFA Board Members Standards Review Meeting
15th August 2017 | Tashkent, Uzbekistan



Standard 009 : 'Coding Rule for Documents Identifier'

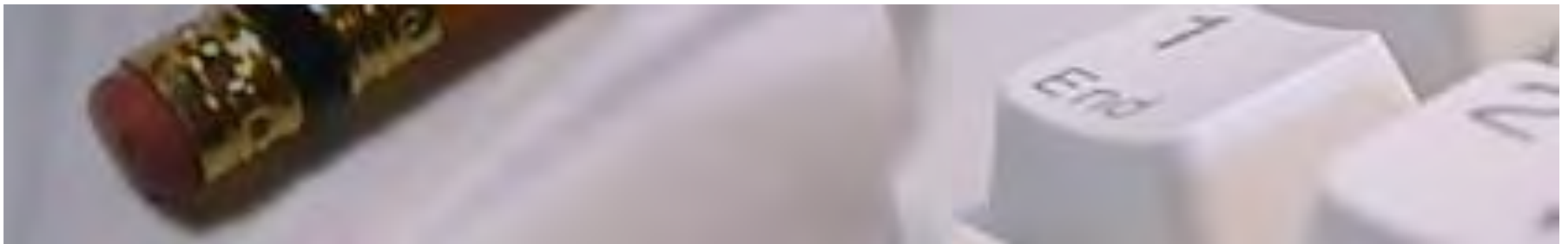
Correct Syntax Errors & Editions :

- ✓ Require Proper Editions with Sign-posting, standard spacings, consistent paragraphing, etc.;
- ✓ Spell-checks, Right-Left Margin-justifications, etc.;
- ✓ On Pg.#5, item#7.1.2.3 – should be tidied-up with the correction. The consistency in using '**alphanumeric**' (as in 7.1.2.4) vs the corrected '**alphabetic**' (7.1.2.3) as character representations (see Pg.#1, item#5) should be observed;

Standard 009 : 'Coding Rule for Documents Identifier'

Correct Syntax Errors & Editions :

- ✓ On Pg.#10 – correction to be cleaned;
- ✓ On Pg.#15, 10.2 – delete one of the double-word used word, '**numerical**';



Standard 009 : 'Coding Rule for Documents Identifier'

Technical Discrepancy & Omission :

- ✓ No particular omission or significant discrepancy observed.

Standard 009 : 'Coding Rule for Documents Identifier'

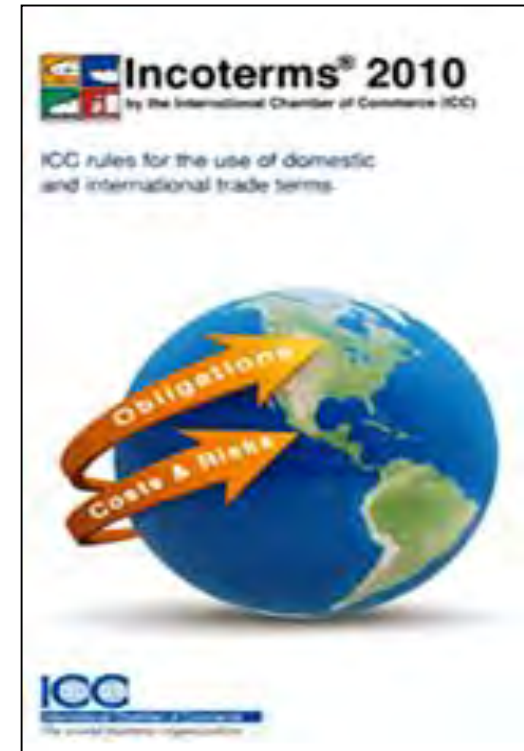
Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Operators should familiarize with the following documents (trade and transport publications):

- ✓ International Rules for the Interpretation of Trade Terms of 2010, (INCOTERMS 2010);



CFCFA Board Members Standards Review Meeting
15th August 2017 | Tashkent, Uzbekistan



Standard 009 : 'Coding Rule for Documents Identifier'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Operators should familiarize with the following documents (trade and transport publications):

- ✓ ISO 7372 Trade Data Elements Directory—Standard Data Element (TDED).



ISO 7372:2005

[Preview](#)

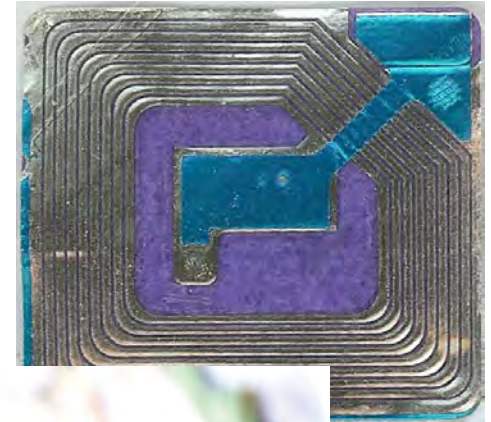
Trade data interchange -- Trade data elements directory

Standard 009 : 'Coding Rule for Documents Identifier'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Operators should familiarize with the following documents (trade and transport publications):

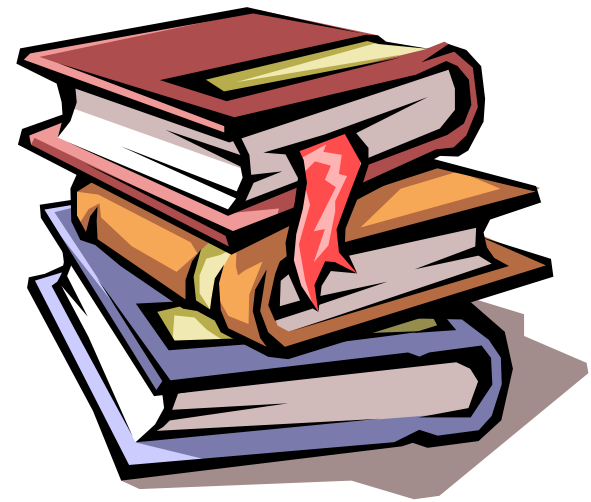
- ✓ Illustration should be enhanced with pictures/images for clear and correct interpretations e.g. on the RFID Tags;



Standard 009 : 'Coding Rule for Documents Identifier'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Correct interpretations of all the mentioned requirements is extremely important for practitioners of international trade, as such, it is recommended that they should attend formal training to appreciate the full application aspects of these mentioned knowledge and competencies.



Standard 009 : 'Coding Rule for Documents Identifier'

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

It is hoped that with good underpinning knowledge and correct interpretations of the subject-matters, practitioners will understand the risks and liabilities clearly and take the necessary precautionary actions to avoid and mitigate risks involved in their day-to-day executions of their businesses. In order for them to conform fully to all the Standards as stated herein, practitioners and operators must be fully conversant to the necessary skills and underpinning knowledge.



Standard 009 : 'Coding Rule for Documents Identifier'

Open Discussion

- CFCFA Board Members

CFCFA Recommendation Standard 010:

‘RFID Tag Application Criteria for Pallet Units’

*Standards 001 to 010 (except for 007)

CFCFA Board Members Standards Review Meeting
15th August 2017 | Tashkent, Uzbekistan



Standard 010 : “RFID Tag Application Criteria for Pallet Units”

Correct Syntax Errors & Editions :

- ✓ Require Proper Editions with Sign-posting, standard spacings, consistent paragraphing, etc.;
- ✓ Spell-checks, Right-Left Margin-justifications, etc.;
- ✓ Pg.#4, item 5.9 – correct ‘a’ to ‘an’;
- ✓ Noticed that there are numerous corrections on the documents and tracked changes – all to be tidied-up;

Standard 010 : “RFID Tag Application Criteria for Pallet Units”

Technical Discrepancy & Omission :

- ✓ No particular omission or significant discrepancy observed.

Standard 010 : “RFID Tag Application Criteria for Pallet Units”

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Operators should familiarize with the following documents (trade and transport publications):

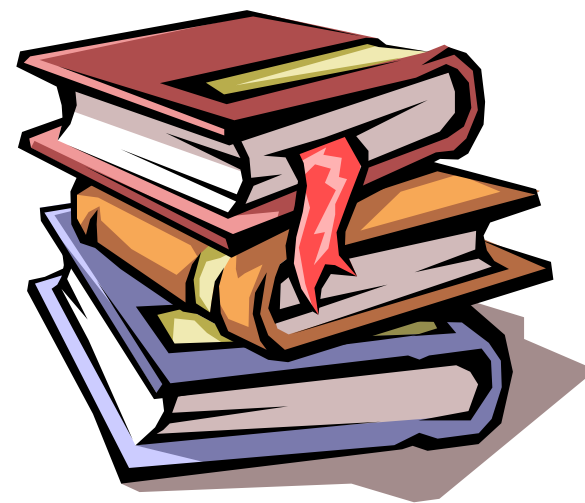
- ✓ Understanding the RFID technology (passive tags vs active tags, etc.);
- ✓ GS-1 Specifications for RFID;
- ✓ GHS Codes.



Standard 010 : “RFID Tag Application Criteria for Pallet Units”

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

Correct interpretations of all the mentioned requirements is extremely important for practitioners of international trade, as such, it is recommended that they **should attend formal training to appreciate the full application aspects of these mentioned knowledge and competencies.**



Standard 010 : “RFID Tag Application Criteria for Pallet Units”

Recommendation – Acquisition of Underpinning Knowledge & Skills (Training) :

It is hoped that with good underpinning knowledge and correct interpretations of the subject-matters, practitioners will understand the risks and liabilities clearly and take the necessary precautionary actions to avoid and mitigate risks involved in their day-to-day executions of their businesses. In order for them to conform fully to all the Standards as stated herein, practitioners and operators must be fully conversant to the necessary skills and underpinning knowledge.



Standard 010 : “RFID Tag Application Criteria for Pallet Units”

Open Discussion

- CFCFA Board Members

Session 3 :

Underpinning Knowledge and Standards Recommendation

- Thomas SIM, ADB Consultant
(Chairman, FIATA-ABVT)

Session 3 : Underpinning Knowledge & Standards Recommendation

Presenting :

- ❖ IMO-SOLAS VGM
- ❖ IPPC ISPM-15 Rules
- ❖ UNESCAP Guidelines for Minimum Standards and CPC for Freight Forwarders, NVOCCs & MTOs



Session 3 : Underpinning Knowledge & Standards Recommendation

Presenting :

ADB Consultant's Summary Recommendations

Session 3 : ADB Consultant's Summary & Recommendations

Proposal for follow-up Actions :

1. It has been observed that there are **editing requirements** for all the 9 reviewed Standards, which will correctly reflect the intended knowledge which **require the CAREC operators and practitioners' conformances**. A **better edited document** will not only avoid misintepretations, but also be able to enhance clearer comprehension of the desired work and outcomes.

Session 3 : ADB Consultant's Summary & Recommendations

Proposal for follow-up Actions :

2. Various technical discrepancies and omissions have been observed and identified. Each of the items are listed in sequence in each and every review documents for further discussion and actions.
3. Recommendations have been made which requires stakeholders' considerations and decisions.

Session 3 : ADB Consultant's Summary & Recommendations

Proposal for follow-up Actions :

4. In order to effectively and efficiently carry out the rudimentary tasks of the international freight forwarding and transport logistics in the region, CAREC Operators will need to enhance their underpinning knowledge and skills in order to complete the numerous operational tasks as enumerated in the findings and in the developed standards.

Session 3 : ADB Consultant's Summary & Recommendations

Proposal for follow-up Actions :

5. Future capacity-building efforts in the form of sustainable training programmes should be developed to cover the gaps and challenges in developing towards operational excellence. .



Session 3 : ADB Consultant's Summary & Recommendations

Proposal for follow-up Actions :

- References with the current trends and changing practices is most needed in order to keep up with the regional and global practices and rules of engagements. (e.g. the IMO-SOLAS VGM, the various Supply-Chain Security initiatives launched by different jurisdictions, as well as the IPPC ISPM-15 regulations, etc.).



Session 3 : ADB Consultant's Summary & Recommendations

Enclosed Documents for References :

- ✓ FIATA Model Rules;
- ✓ SLA Standard Trading Conditions;
- ✓ SAAA@Singapore Standard Trading Conditions;
- ✓ IPPC ISPM-15 Packing Declaration Form (Sample);
- ✓ VGM Shippers Declaration Form (Sample);
- ✓ WSC Guidelines for Implementing SOLAS;
- ✓ **FIATA's Circular Official Description of F/F Services;**
- ✓ CTU - IMO/ILO/UNECE Code of Practice for Packing;
- ✓ UNESCAP Guideline for Minimum Standards & CPC Presentation;
- ✓ IMO-SOLAS Presentation;
- ✓ IPPC-ISPM-15 Presentation.

Session 3 : Underpinning Knowledge & Standards Recommendation

Open Discussion

- CFCFA Board Members

Session 4 :

Adoption of CFCFA Standards for Carriers and Freight Forwarders - CFCFA Board Members



Session 4 : Adoption of CFCFA Standards for Carriers & Freight Forwarders

Conclusions

- Capt. Lin Zhong, CFCFA Chairman

CFCFA Board Members Standards Review Meeting

Thank
You