

SUB-COMMITTEE ON CARRIAGE OF CARGOES AND CONTAINERS 3rd session Agenda item 14 CCC 3/INF.10 29 June 2016 ENGLISH ONLY

### **ANY OTHER BUSINESS**

Information related to the implementation of SOLAS requirements for Verified Gross
Mass of packed containers: Supplementary Joint Industry
Frequently Asked Questions (FAQs)

Submitted by ICHCA International Ltd. (ICHCA) and the World Shipping Council (WSC)

#### SUMMARY

Executive summary: This document contains the second set of joint industry Frequently

Asked Questions (FAQs) on the SOLAS requirements for Verified Gross Mass (VGM) of packed containers, which the WSC and ICHCA, in collaboration with shippers and insurers, published on 27 June 2016, supplementing the joint industry FAQs published in

December 2015

Strategic direction: 5.2

High-level action: 5.2.3

Output: No related provisions

Action to be taken: Paragraph 3

Related document: CCC 3/14/2

### Introduction

- Document CCC 3/14/2 notes that in an effort to further support the smooth implementation of the SOLAS requirements for Verified Gross Mass (VGM) of packed containers, the WSC and ICHCA, in collaboration with shippers and insurers, on 27 June 2016, published a second set of frequently asked questions (FAQs) regarding the SOLAS VGM requirements, supplementing the joint industry FAQs published in December 2015.
- These supplementary joint industry FAQs are reproduced in the annex to this document.

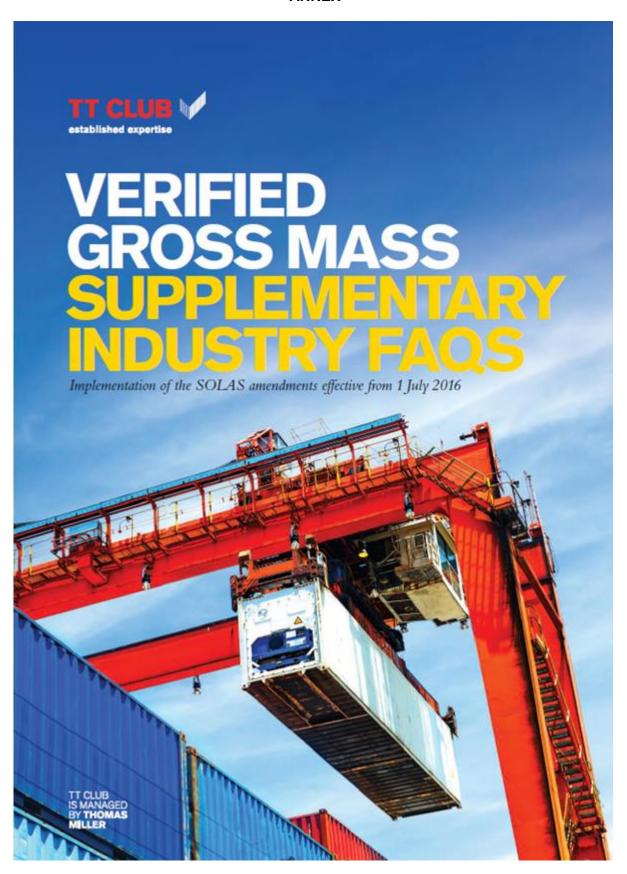


# **Action requested of the Sub-Committee**

3 The Sub-Committee is invited to note the information provided in the paragraphs above and in the annex.

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# ANNEX



# INTRODUCTION

These 'Supplementary Industry FAQS' have been compiled in response to questions that have been raised by the industry in relation to the revised SOLAS regulation requiring 'verified gross mass of packed containers' further to the publication of 'Verified Gross Mass Industry FAQS' in December 2015.

The numbering used in this document follows on from that used in the December 2015 Industry FAQs. There are some issues that expand on the answers previously provided, which are denoted with the use of the same number as in the December document and the addition of 'bis'.

This further guidance should always be read in the context of more detailed information, being:

- · the primary source materials published by IMO
  - (a) The International Convention for the Safety of Life at Sea (SOLAS), 1974, as amended, Chapter VI Carriage of Cargoes and Oil Fuels, Part A General Provisions, Regulation 2 Cargo information
  - (b) MSC.1/Circ.1475 Guidelines Regarding the Verified Gross Mass of a Container Carrying Cargo
- (c) MSC.1/Circ.1548 Advice to Administrations, Port State
  Control Authorities, Companies, Port Terminals and
  Masters regarding the SOLAS Requirements for Verified
  Gross Mass of Packed Containers
- · guidance from Competent Authorities

The relevant Competent Authority within any given signatory to SOLAS may not be easy to identify. Although promulgated in relation to the IMDG Code, the following IMO Circulars setting out contact information for maritime competent authorities may provide valuable 'starting point'

data to assist stakeholders where further national guidance is being sought.

(a) MSC.1-Circ.1517 - IMDG

(b) MSC.1-Circ.1517 - Corr.1

All should note that 'Verified Gross Mass' (VGM)

- · is a new requirement in relation to packed containers
- uses a clearly defined term purely for ship loading purposes (i.e. different from other documentation, such as the bill of lading or customs declarations)
- requires a weighing process (direct weighing for Method 1 or summation of all component elements for Method 2), using calibrated and certified weighing equipment compliant in the state in which the equipment is used
- must be communicated to the carrier/marine terminal, in accordance with specified times and methods, and thereafter used in the ship stowage planning process
- without VGM, a packed container shall not be loaded on to the ship.

If you have specific questions that arise from this document, you are invited to approach one of the sponsoring organisations. It should be noted that some issues may only be resolved with the relevant Competent Authority or commercial counter-party.



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VGM - Supplementary Industry FAQS

## SECTION A: GENERAL

#### A1. In the event we buy a product from a foreign supplier bis on FOB terms, we are the party concluding a contract of carriage with the maritime carrier. Due to local rules, the supplier, who is also packing the container, may be identified as shipper on the bill of lading. Which entity is responsible for communicating VGM in a timely fashion?

The shipper named on the maritime carrier's bill of lading remains the responsible party under the SOLAS amendment for VGM. In your example, the supplier is the party responsible for obtaining the VGM and for providing it to the carrier, since the supplier is named as shipper on the bill of lading. You are encouraged to ensure that between yourself and the supplier, the VGM is obtained using either Method 1 or Method 2 as appropriate, in accordance with regulations applicable in the country where the packing takes place.

#### A2. I understand the VGM must be documented on a bis shipping document. Is documenting the VGM and signature on the Commercial Invoice and/or Packing List sufficient?

The signed 'shipping document' evidencing the VGM must be a document (which can be electronic) that is acceptable to the maritime carrier and complies with any national regulatory requirements. It is strongly recommended that you contact the relevant maritime carrier to determine what would be acceptable. There is no international template for the shipping document to be used for communicating the VGM.

# A4. Where a discrepancy is found in the declared VGM, bis what are the obligations of the carrier and terminal?

The shipper is responsible for obtaining and providing an accurate VGM to the ocean carrier and terminal operator. Incorrect VGM information may be subject to penalty pursuant to applicable national legislation.

Neither the carrier nor the terminal is required to confirm the VGM provided by the shipper. In the event a packed container is weighed at some point during its transport and found to differ from the declared VGM, national requirements may exist for how to deal with the situation, but there is no internationally defined requirement to notify any authority. Clearly, in order to minimise disruption to the supply chain, the stakeholders should communicate, plan in advance and agree what should be done in relation to any such container.

If a container is found to be packed beyond the maximum mass permitted on its approval plate, it shall not be loaded on board a ship or transported by any other mode; the stakeholders will have to make arrangements to have the cargo re-packed and for the apportionment of the costs involved.

# A6. How accurate does the VGM need to be? Is there a bis percentage +/- or is there +/- mass?

It is important to distinguish between the issue of accuracy and the issue of government enforcement tolerance thresholds:

The SOLAS regulations require, for both Method 1 and Method 2, that the mass be obtained using certified and calibrated weighing equipment in conformance with applicable requirements and standards in the jurisdiction where the weighing takes place. These requirements and standards establish the accuracy with which the mass will be obtained. Therefore, if such equipment is used to obtain the verified gross mass, then the shipper is in compliance with SOLAS and the VGM obtained will have an accuracy that is acceptable - even if, for whatever reason, the container is weighed again at some other place and that weighing results in a different gross mass. In this regard, the expectation should be that in the overwhelming majority of cases the carrier and the terminal will rely on the VGM provided by the shipper and no re-weighing would need to take place.

If such certified and calibrated weighing equipment is used, with the implied accuracy, then the shipper will also normally be within the tolerance thresholds that governments may establish in relation to any enforcement action. No reasonable government would establish an enforcement threshold that is more stringent than that applicable to certified and calibrated weighing equipment. This would apply also to cases where the mass of the goods may differ due to atmospheric conditions or hygroscopic properties of the goods.

#### A14. Once the container is packed and sent to the nearest weighbridge, what happens if it is found to be overweight for the national road limits or overloaded for the vehicle/trailer purposes?

Establishing the verified gross mass of the packed container after the commencement of transport may result in finding that the unit is overweight for purposes of national road or rail regulations, or indeed overloaded in terms of the capacity of the container. Where this happens, it will not be possible to continue the transport without breaking the law, which the road haulier or rail operator should not be prepared to do. The shipper will have to make arrangements to repack the cargo in order to comply with the applicable regulations.

#### A15. Mass information is provided already for bill of lading and customs declaration purposes; how does that information relate to what is now required under SOLAS?

The verified gross mass that is required under SOLAS relates to the packed container, including dunnage and securing, together with the tare mass of the container. VGM reflects the mass of the entirety of the consignment presented for loading on board a ship and is distinct from other trade mass values such as used for bills of

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lading (relating to contractual liability) or customs declarations (for tariff filing and customs duties). SOLAS requires the verified gross mass to ensure that the correct value is used for ship stowage planning purposes; this safety requirement necessarily differs from other values used in trade.

See also A25 (in relation to showing VGM on bills of lading).

#### A16. Is it permissible for a shipper (particularly a cargo seller) to issue a blanket certification stating that all weights submitted are based on the use of certified scales using the methodology required by SOLAS?

The SOLAS VGM requirements are clear that the obligation of the shipper to obtain and communicate the verified gross mass applies to individual containerised shipments; no blanket certification is allowed under the SOLAS regulations.

#### A17. What records are required and for how long should they be retained?

The SOLAS regulations require simply the VGM value (clearly stated as such) and a signature on the VGM document. There may be national requirements for the content of this document, but additional data elements required by carriers would, as a minimum, include the container number, the booking number, the name of the third party submitting the document (if applicable), name of the shipper, and the date on which the VGM is obtained.

The signed VGM document may be provided electronically in which case the signature may be an electronic signature or may be replaced by the name in capitals of the person authorised by the shipper to sign the VGM shipping document. Certain jurisdictions may accept a corporate signature.

The commercial parties should retain VGM evidence (which may include underlying weight certificates and other documentation) at least until the conclusion of the carriage by sea. Retention for a longer period may also be advisable. There may be national regulations in place that should be taken into consideration.

#### A18. Can the VGM be provided at the time of booking in order to simplify our processes, whether through a freight forwarder or the entity supplying the cargo for shipment?

Obtaining VGM requires knowledge of either: (1) the total mass of the packed container, or (2) the combination of the tare mass of the container plus the mass of the cargo, dunnage and securing material that is packed into that container. It is theoretically possible that this information may be known at the time of booking. However, in reality, and even where there are standard, homogenous cargo types involved, all the information necessary to derive a correct VGM may only be known at some stage after the booking.

#### A19. Does SOLAS care if the VGM is reported incorrectly, but still within limits for the container or carrying by road or rail?

The revision to SOLAS is a safety requirement designed to give the maritime carrier and the terminal operator the accurate weight of the packed container. Risk is increased where the declaration of mass is inaccurate, whether under or over. Thus, the purpose is more comprehensive than simply making sure that the container is not packed beyond its maximum weight capacity or the road or rail weight limits. An inaccurate VGM, or one not derived properly using Method 1 or Method 2 would violate the regulation and may be subject to penalty under national legislation.

#### A20. Where a container or its contents become damaged during transit and, as a consequence, have to be repacked, what responsibility rests with the shipper under the maritime carrier's bill of lading?

The maritime carrier concerned will need to have internal procedures in place to ensure that an accurate gross mass value is used for any further stow planning necessary for the repacked container to reach its destination.

#### A21. Is it correct that the SOLAS requirement for VGM does not apply to domestic movements even if the containers are stowed on ships which are subject to SOLAS chapter VI?

The SOLAS VGM requirements apply to ships on international voyages, having a gross tonnage of 500 tonnes or more. However, the individual Administration (flag state) may subject ships on domestic voyages to any SOLAS requirements, including in relation to VGM.

It should be recognised that a domestic movement may be prior to an international movement from a port of transhipment. It is suggested that the VGM be obtained at the earliest possible point in the supply chain for safety purposes, also recognising that it will be required in any event as a pre-condition for ship loading at the transhipment port where weighing of the packed container may be impractical, if not impossible.

#### A22. Containers loaded as ro-ro are exempt; does this also apply where two containers are loaded on top of each other on a chassis?

For the purpose of the VGM regulations, there are exemptions for packed containers on chassis driven onto ships engaged in short ro-ro voyages of less than 600 nautical miles and no more than 200 miles from a port of refuge at any time. However, if such a container is on such a ro-ro ship for transhipment to a SOLAS containership (lift on-lift off), it will require a VGM in the transhipment port.

In some situations, it may be that two containers are loaded vertically on to a chassis for carriage on a ro-ro

ship. Where this occurs, it is strongly recommended that the VGM is obtained in advance, since one or both will be lifted at the transhipment port. However, for the short ro-ro voyage there is not strictly any requirement for VGM.

#### A23. Whichever stakeholder faces a pecuniary penalty, can recovery actions be pursued against the cargo interests?

Breach of these regulations will be subject to national law. The SOLAS regulations do not address penalties or recovery of pecuniary penalties. It is likely that counterparties will establish contractual terms that seek to facilitate recovery or indemnity in certain circumstances, which will be subject to contractual rules in the particular jurisdiction concerned.

# A24. What if a container is delivered to a port for shipment prior to 1 July, for which VGM is not required, but only loaded on board a ship after 1 July? Similarly, containers may be loaded at the initial export port prior to 1 July, but transhipped later.

Strictly, under the SOLAS VGM regulation, it is the date of the loading of the packed container aboard ship that determines whether a VGM is required. Equally, a packed container to be transhipped for loading aboard another ship on or after 1 July, where no VGM is communicated by the arriving ship to the transhipment terminal, a VGM must be obtained before the container may be loaded aboard the departing ship.

Recognising these kinds of potential issues, IMO has issued MSC.1/Circ.1548 on 25 May 2016 urging governments to adopt a 'pragmatic and practical' approach to enforcement for the first three months, until 1 October 2016. The Circular specifically suggests that enforcement flexibility should apply to transhipped containers, which may begin movement (without a VGM) prior to 1 July 2016, but which are subsequently loaded onto a SOLAS ship after that date. Nevertheless, IMO stressed the safety importance of this and similar regulations, and the expectation should be that all stakeholders take all reasonable steps to be in compliance from 1 July 2016. The Circular is not to be interpreted as a delay or postponement of the SOLAS VGM requirements.

#### A25. Will VGM need to be entered on the face of the bill of lading?

SOLAS does not require VGM to be identified in the bill of lading. See also A15.

#### A26. A container may be packed in one state and loaded at a port in another, or transhipped in yet another. Which standards will be applied by any enforcement officers?

Enforcement is the prerogative and competence of national governments.

However, the revised regulation requires VGM to be obtained in accordance with the rules and requirements of the state where the packing and sealing of the container is completed and the weighing equipment is used (MSC.1/Circ.1475 paragraphs 5.1.2.3 and 7.1). From a safety perspective, this should be prior to the packed container commencing its transit. A VGM validly obtained at that point will meet the purposes of the SOLAS requirements throughout the supply chain. It is recognised that weight may differ, apart from margins of error in the equipment used, by reason of cargo characteristics and atmospheric conditions. However, such variations should not present safety concerns.

#### A27. Do empty containers needs to be weighed?

MSC.1/Circ.1475 paragraph 12.1 states that empty containers are not required to be weighed, although stakeholders are encouraged to have processes to ensure that containers declared as empty are indeed empty.

See response to B8 for "empty/dirty" tank containers.

#### A28. I understand shippers will be responsible to provide the VGM to the carrier and terminal operator. If it is provided to our freight forwarder, may that entity communicate the VGM to the carrier and terminal operator or must the shipper do this?

The party responsible for obtaining and providing the VGM to the carrier and the terminal operator is the shipper identified as such on the bill of lading issued by the maritime carrier. Any other entity, including a freight forwarder, duly authorised by the shipper to obtain and sign the VGM may communicate it to the carrier and terminal operator.

#### A29. Is our freight forwarder responsible to ensure the VGM documentation follows the container from place of pick up to place of destination?

The shipper obligations under this SOLAS amendment are to provide the VGM to the maritime carrier and terminal operator sufficiently in advance to be used in the preparation of the ship stowage plan. It is thereafter the responsibility of the maritime carrier to use the information and pass it on to any transhipment port for use in the ship stowage plan for any subsequent carriage by sea. Thus, there is no continuing obligation on the shipper or any freight forwarder.

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# A30. How does breakbulk cargo fit within the SOLAS VGM regulation? The regulation specifically calls for containerised freight. Has there been any discussion on how we will handle breakbulk cargo? Would it be handled using the same guidelines?

If the breakbulk cargo is placed on or in a single container of any type, which is regulated by the International Convention for Safe Containers (CSC), e.g. out of gauge cargo on a flatrack, then the shipment is covered by the SOLAS VGM requirements.

If the breakbulk cargo is loaded on board separately, whether or not onto a series of flatrack containers which are used to provide a temporary supporting platform or deck, then the shipment is not covered by the SOLAS VGM requirements.

# A31. Shipments may be resold en route. Most frequent is reselling goods whilst on the water. Less frequent is for goods to be resold prior to loading on board first ship, but it can happen. How would both of these scenarios need to be handled in respect to VGM?

In the first scenario, the container must in order to have been loaded onto the ship in the first place have had a VGM obtained and provided by the original shipper. The fact that the goods are subsequently sold while on the water is immaterial for compliance with the SOLAS requirement.

In the second scenario, the same requirement applies — a VGM must be obtained and provided by "the shipper" in order for the packed container to be loaded aboard ship. "The shipper" should under the SOLAS VGM requirements be interpreted to mean the actual shipper. Therefore, if the goods are resold before they are loaded aboard ship and this sale results in a new actual shipper being identified in the maritime carrier's bill of lading, then this new entity would be required to provide the VGM even if the previous shipper had already obtained a VGM. If the new shipper has confidence in the previous shipper, the new shipper can issue a VGM based on the previous shipper's documentation.

# A32. Is the terminal operator required to obtain the VGM directly from the shipper, or can the carrier transmit the VGM to the terminal operator after the carrier receives it from the shipper?

The terminal operator is not required to receive the VGM directly from the shipper. MSC.1/Circ.1475 paragraph 6.3.1 makes clear that the requirement is that both the carrier and the terminal operator use the VGM in preparing the ship stowage plan, but how the information flows and is shared among the parties is left to the operational and commercial discretion of the parties in order to allow for the most efficient processes to be used.

#### A33. Do the SOLAS regulations require that the shipper's weight declaration be certified or approved by a government agency?

The SOLAS regulations do not require that a competent authority should certify or approve the signed weight certificate provided by the shipper to the carrier. However, national rules may, in addition to the certification and calibration of the weighing equipment, apply regarding the approval or certification of the weighing method and/or the shipper obtaining the VGM.

#### A34. Where vehicles are packed in/on containers, can the weight from the vehicle registration documents be used as VGM weight?

Simply providing the gross mass of the vehicle as indicated on the registration papers would not qualify as the VGM; the gross mass of the vehicle would be only one of the elements that would make up the VGM. For example, vehicles in containers are sometimes secured with web lashings, sometimes they are placed in fairly elaborate frameworks of timber or proprietary systems that may have considerable mass.

#### A35. Instead of a freight forwarder being the consolidator, a maritime carrier may consolidate shipments from multiple shippers into a container and issue maritime carrier master bills of lading to each of these shippers. In these situations, who is responsible for obtaining the VGM?

When the maritime carrier acts as a consolidator and issues bills of lading to each of the shippers whose cargo is consolidated by it into the container, the maritime carrier is responsible for obtaining the VGM. The carrier can obtain the VGM using either Method 1 or Method 2. However, there would be no need for the maritime carrier to issue a VGM certificate to itself as the carrier is obtaining the VGM information through its own efforts.

## SECTION B: METHOD 1

B6. A weighbridge solution for Method 1, unless involving a process by which the packed container is lifted off the chassis, requires knowledge of the mass of the chassis and any variables (such as gensets, other gear, fuel, etc.). Will it be permitted to estimate these in order to identify the VGM value?

MSC.1/Circ.1475 paragraph 11. 1 states that these elements should be subtracted reflecting 'the tare mass of the road vehicle (and, where applicable, the tractor) as indicated in their registration documents as issued by the competent authority of the State where these assets are registered. The mass of any fuel in the tank of the tractor should also be subtracted'.

Since the shipper remains responsible for procuring the VGM, that entity will need to establish due diligence checks to ensure that an accurate value is obtained. Use of a certified weighbridge or scale that complies with applicable requirements and standards in the state where the weighing occurs will ensure that the resulting calculation of the gross mass of the packed container can be relied upon as being in compliance with the SOLAS requirements.

B7. It is recognised that bulk cargoes (such as scrap metal or ISO tank containers) are required to adopt Method 1 for VGM of the packed container. Where a shipper has a process by which the mass of the vehicle and empty container is established on entry to the premises, and the packed/filled container and vehicle are weighed again on exit, is it acceptable to calculate the VGM?

Assuming that the vehicle remains the same and the mass will not have changed, the following is considered an appropriate Method 1 process:

- (a) weigh truck, chassis and container 'empty';
- (b) weigh truck, chassis and container 'full';
- (c) subtract 'empty' mass from 'full' mass to obtain the packed cargo weight (including any dunnage, securing etc); and
- (d) add tare mass as marked on the container or as provided by the container operator.

This would be in compliance with the SOLAS Method 1, provided that the weighing equipment used is certified and calibrated in accordance with the applicable standards and rules in the state where the equipment is being used. In simple form VGM = (b) - (a) + tare.

B8. Tank containers are often transported 'empty/dirty' for a return leg. Does MSC.1/Circ.1475 paragraph 12.1 exempt such containers?

See response to A27 regarding empty containers in general.

However, 'empty/dirty' tank containers are not considered empty in the same manner and will have to be weighed using Method 1 in order to obtain a VGM. It should be noted that this is consistent with other cargo related declarations, including in relation to dangerous goods.

B9. As a shipper I would prefer if my packed containers could be weighed at the marine terminal. Is that possible and would this meet the SOLAS VGM requirements?

A shipper may, subject to any national rules and requirements regarding approval and/or certification, contract with any third party offering weighing services to obtain and provide VGM, including marine terminals. Such a VGM would be valid provided the weighing equipment meets applicable standards and requirements in the state where the equipment is used.

While many marine terminals will offer VGM weighing services, not all are able or willing to do so. It is incumbent on the shipper to ensure that arrangements are in place to obtain and provide VGM, including satisfying any 'cut off' time established by the carrier before the packed container may arrive at the marine terminal.

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## SECTION C: METHOD 2

C5. It is possible for a freight forwarder to act as a bis principal, without being named as 'shipper' on the maritime carrier's bill of lading; does this absolve the freight forwarder from the legal responsibility to provide VGM?

It is recognised that there are innumerable permutations for the contracts between the parties. The SOLAS VGM amendment and guidelines state that the 'shipper' for these purposes is the entity shown as such on the maritime carrier's bill of lading. In all circumstances, that entity needs to put in place a mechanism by which VGM is obtained and provided to the carrier and the terminal, regardless of whether it is relying on third party providers for any part of the supply chain services. Where a freight forwarder is involved in any capacity, it is important that the freight forwarder thoroughly understands the obligations of these (and other) regulatory requirements and communicates appropriately to the client to ensure compliance.

#### C6. Who is responsible for tare mass of containers?

bis In relation to the Method 2 process, shippers are required to use the tare mass of the container as marked on the container door or provided by the container operator. However, the responsibility for the tare mass remains solely with the container owner/operator, in accordance with the International Convention for Safe Containers, 1972 (CSC) as amended.

#### C8. Where a container is consolidated with cargo from more than one shipper, which entity is responsible to obtain and communicate VGM?

The entity responsible for obtaining and communicating the VGM to the carrier and the terminal is the shipper identified as such on the maritime carrier's bill of lading. In many instances, this will be the entity involved at the completion of the packing process, at which point all masses of cargo, dunnage and securing material can be summed, together with the tare mass of the container.

C9. Cargo may be palletised and transported by truck from one state to another, prior to being packed into a container. Equally, a shipper under the maritime carrier's bill of lading may be located in one state, whereas the packer is located in another. Which state's regulations apply in relation to the container packing using a Method 2 process?

In both cases, it is the regulations of the state in which the packing and sealing of the container is completed that apply. Such regulations may pertain to the process used or the shipper or both.

Thus, while the contracts may involve parties from other states, effective due diligence and appropriate service contracts setting out the obligations between the parties will be required to ensure that compliance is achieved.

C10. MSC.1/Circ.1475 states that Method 1 should be used for ISO tank container bulk cargo, but volumetric measurement devices are surely sufficiently accurate to obtain VGM.

Volumetric measurement would require an auditable process that records additionally the specific gravity and temperature of the cargo at the time of filling in order to calculate a valid VGM. However, the IMO guidance makes no permission for this and an ISO tank container (or flexitank) should be weighed using Method 1.

#### C11. As a consolidator, there are frequently multiple entities placing cargo in the same container; who is responsible for VGM?

The shipper named on the maritime carrier's bill of lading remains responsible. There are many permutations by which the cargo is presented and packed; it is recognized that the 'shipper' may ultimately have no physical control over the packing at any point. Consequently, the shipper, that in this case is also the consolidator, will need to implement a process and supporting contractual arrangements to ensure that all elements required under Method 2 are taken into account. This will involve ensuring that the entities presenting the constituent cargoes understand the obligations to provide accurate mass and take contractual responsibility for doing so. Furthermore, any third party service provider actually packing the container will have to maintain a documented process to sum cargo, pallets, dunnage and securing material, plus adding in the tare mass of the container being packed.

Such a shipper/consolidator will need to consider:

- (a) communication with counterparties about the new obligations;
- (b) due diligence as to what capability a counterparty, particularly one on whom the shipper may rely to provide information, has in relation to physically weighing and carrying out required processes; and
- (c) some form of signed (and dated) declaration for all elements of the cargo handled.

Ultimately, the consolidator who is named as the shipper on the maritime carrier's bill of lading should be checking, though contractual and practical arrangements, that the final entity who puts the last cargo inside the container, closes the door and seals it, satisfactorily obtains and communicates the VGM to the carrier and terminal.

C12. As a shipper, I wish to use Method 2 to obtain the VGM. However, my government has not promulgated any requirements on how to become designated a Method 2 shipper. Does the absence of such requirements mean that I may not use Method 2?

Although the SOLAS VGM amendments grant authority for States to impose additional requirements for shippers in relation to Method 2, the amendments at the same time set forth the basic requirements such that a State may choose not to promulgate any additional national legislation. The exercise of discretion not to impose additional requirements is as valid as an exercise of discretion to impose additional requirements. If a State chooses not to impose additional requirements, Method 2 remains an acceptable alternative for that State and, further, shippers within its jurisdiction may be regarded, and act, as Method 2 shippers, so long as they meet the basic requirements of the SOLAS VGM amendments of using calibrated and certified weighing equipment in conformance with applicable national standards and requirements, and adopt a documented procedure to calculate the total gross mass as set forth in the SOLAS VGM amendments.

C13. Does Method 2 require the shipper weighing the packages, also to mark the gross mass on each package, which in our case would the pallet mass?

There is no obligation for a shipper, using Method 2, to indicate the gross mass of each package/pallet being packed into the container. It is the total VGM of the container with all its contents and including the container tare weight that must be obtained and provided to the maritime carrier and the terminal operator.



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## **SPONSORS**

The following organisations have produced this Frequently Asked Questions document, expanding on the 'Industry FAQS' document published in December 2015. It is recognised that further general questions may be raised, some of which can only be resolved with the relevant National Competent Authority or commercial counter-party. You are, however, invited to raise any further questions with one of the organisations below.



#### TT Club

TT Club is the international transport and logistics industry's leading provider of insurance and related risk management services. Established in 1968, the Club's membership comprises ship operators, ports and terminals, road, rail and airfreight operators, logistics companies and container lessors. TT Club has regularly highlighted issues arising through the supply chain relating to inaccurate gross mass information, and incorrect or inadequate packing of CTUs. As a result, TT Club has participated throughout the IMO process leading to the amendment of SOLAS and the related implementation guidelines.

www.ttclub.com



#### World Shipping Council

The World Shipping Council (WSC), with offices in Washington and Brussels, represents the global liner industry on regulatory, environmental, safety and security policy issues. WSC members operate approximately 90 percent of the global liner capacity, providing approximately 400 regularly scheduled services linking the continents of the world. Collectively, these services transport about 60 percent of the value of global seaborne trade, and more than US\$ 4 trillion worth of goods annually. The WSC has observer status with the IMO, and was actively involved in the development of the SOLAS container gross mass verification requirements.

www.worldshipping.org



#### ICHCA International Limited

The International Cargo Handling Coordination Association (ICHCA), founded in 1952, is an independent, not-for-profit organisation dedicated to improving the safety, security, sustainability, productivity and efficiency of cargo handling and goods movement by all modes, and through all phases of national and international supply chains. ICHCA's privileged non-government organisation (NGO) status enables it to represent its members and the cargo handling industry at large, in front of national and international agencies and regulatory bodies. In this capacity, ICHCA actively participated in the debates leading to these SOLAS amendments.

www.ichca.com



### Global Shippers' Forum

The Global Shippers' Forum (GSF), with offices in London and Brussels, is the world's leading trade association for shippers engaged in international trade moving all goods by all modes of transport. The GSF represents shippers as users of international freight services on regulatory, operational and trade issues. Its main focus is to influence commercial developments in the global supply chain and the policy decisions of governments and international organisations as they affect shippers and receivers of freight. GSF was actively involved in the debates leading to these SOLAS amendments.

www.globalshippersforum.com



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