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04 November 2014

To: All FIATA Licence Holder

Dear FIATA Licencees,

## <u>Subject: IMPORTANT NOTICE regarding the Conditions on the Reverse Side of FIATA's Forwarders Certificate</u> of Receipt (FCR) and Cessation of the Sales of FCR at HAFFA Office

Being a FIATA Licence holder, your company is legally authorized to issue the FIATA Documents [FIATA Multimodal Transport Bill of Lading (FBL), FIATA Multimodal Transport Waybill (FWB) and Forwarders Certificate of Receipt (FCR)] in Hong Kong. In accordance with the FIATA Guideline on its documents and forms, the FCR bears the general national freight forwarding trading conditions of the issuing country (i.e. HAFFA Trading Conditions in Hong Kong) on the reverse of FCR. It is the requirement of FIATA that the FCR may only be used by FIATA Licencees who adhered to HAFFA Trading Conditions in their forwarding activities in Hong Kong. And the current conditions printed on the reverse side of FCR which is available for sale at the HAFFA office are HAFFA Standard Trading Conditions (December 1997 Edition) (the "1997 Conditions").

Nevertheless, as announced in our letter dated 04 November 2014 and News 34 dated 04 November 2014, you may be aware that **the publication of 1997 Conditions has been ceased with immediate effect in view of the impending full operation of the Competition Ordinance in Hong Kong.** As a result, FCR should be renewed by using the latest HAFFA Trading Conditions [i.e. HAFFA Form of Trading Conditions (December 2008 - Template Only) ("the "2008 Conditions")].

Please be advised both the quantum/rates of calculation of the limits of liability and the rate of interest are LEFT OPEN for completion by individual Members in the 2008 Conditions. That means, if any qualified Member chooses to use FCR, Member (in consultation with their own legal and insurance advisers) need to decide the quantum/rates of calculation of the limits of liability and the rate of interest, COMPLETE the blanks in clause 20.4 and 11.6 respectively in the 2008 Conditions. Thus, the situation induces that the FCR cannot simply bear the 2008 Conditions on the reverse since the amount of limits of liability and interest rate are left open as a template. As such, sales of FCR at the HAFFA office is ceased with immediate effect.

Should you require to issue FCR in Hong Kong, <u>you must print your own FCR adopting 2008 Conditions</u> under the following conditions:

- 1. You must forward to HAFFA a sample of FCR for our approval before printing.
- 2. In your sample, there must be a declaration of liability of your company.
- 3. Make sure that you have completed the blanks in the areas of limitation of liability clauses (clause 20.4) and interest clauses (clause 11.6).
- 4. After approval of the FCR by HAFFA, you may print the FCR. And you must file a specimen copy of the FCR to HAFFA for record purpose.
- 5. There should be the same liability information in clause 20.4 and also the same liability information in clause 11.6 on all the printed FCRs of your company.

You are kindly requested to adhere to the above instructions should you issue FCR in Hong Kong. For enquiry, please feel free to call Ms. Angie Lim at 2796 3121.

Please note the issuance of FBL and FWB will NOT be affected under this circumstance, thus you may still purchase FBL and FWB from HAFFA at the price of HK\$380.-/100 sets and HK\$280.-/100 sets respectively. Or, you may print your own FBL and FWB upon approval of HAFFA and file a specimen copy to HAFFA for record purpose.

Thank you for your kind attention.



