

## **FIATA LIAISON SUB-COMMITTEE**

**Chairman: RHENUS LOGISTICS HONG KONG LTD – Mr. Andre Delarue**

**Vice Chairman: THE JANEL GROUP OF HONG KONG LTD – Ir. Dr. Paul Tsui**  
**CARGO FREIGHT SERVICES LTD**  
**KORCHINA LOGISTICS (H.K.) LTD**  
**TRANSPOLE LOGISTICS PRIVATE LTD**

### ***Report on the FIATA World Congress, 15 - 19 October 2014 in Istanbul, Turkey***

*(Extract of FIATA Review No. 105)*



#### ***Airfreight Institute - AFI***

AFI Chairman Mr Rodolfo Sagel expressed that the deliberations of Cargo Modernization Program (CAMP) at that moment were developing satisfactorily. Mr William Gottlieb, FIATA Head of CAMP Working Group, informed about the anticipated joint programme of FIATA and IATA that brings a new era of relationship. The forwarder will act as principal in his contracts with airlines instead of acting on behalf of the carrier as an IATA-agent.

Participants were impressed by the presentation of Dr Emre Serpen, Wipro's Global Head of Airport Practice on Sustainable Logistics and Aircargo Opportunities, which was giving an impressive outlook of Turkey's and the region's air transport industries status; its success, growth, progress and its commercial outlook and upcoming challenges.

#### ***Customs Affairs Institute - CAI***

Delegates enjoyed a comprehensive information cocktail of globally most relevant Pre-Loading Air Cargo Screening Pilots, in short ACI - Advanced Cargo Information planted by the US, EU and Canada and the establishment of Global Standards via WCO SAFE Framework garnished with the topping of the Turkey's national implementation of Authorized Economic Operators implementation served by the Chair Stephen Morris and the CAI's meetings guest speakers - IATA Mr Gordon Wright and the hosting countries Turkey's Customs and Trade expert Mr Barış Bicimseven Vice-President of Association of Customs and Trade Experts-Turkey. The meeting deliberated the FIATA Position Paper - The Impact of a harmonised de minimis value threshold. Wherein, FIATA embraces the principles of simplified, harmonised Customs and border

management, whilst encouraging States and Customs administrations to renew their efforts in the implementation of the RKC (*Revised Kyoto Convention*) also by adopting de minimis regimes as may be required by their economic conditions and to approximate the threshold levels of those already in existence.

### **Multimodal Transport Institute - MTI**

The item of 100 Percent Container Scanning refers to the US regulation requiring that all imported containers must be scanned in overseas ports before being allowed entering into US ports. On various occasions, it has been argued that this 100% scanning rule would not only be costly and unfeasible, it would be a serious hindrance to trade flow and would even give a false sense of security. The initial implementation deadline was July 2012 and it was extended by the US Congress for two years. This deadline has once again been delayed for another two years, until July 2016.



FIATA has been providing updates for the past three years on the amendments of IMO Safety of Life at Sea (SOLAS) Regulation and has held the view that imposing restrictions on all containers is wrong. The vast majority of containers shipped are legitimate, and there should be greater use of intelligence and sanctions against shippers that offend.

The amendments have been adopted by the IMO's Maritime Safety Committee at the meeting in November 2014 and these measures will come into force in July 2016. With this decision, a big step has been taken towards an implementation of a global rule that will be a big change for the industry. FIATA felt that this does not add anything to safety of containers at sea, it will add to extra costs and administrative burden to shippers around the world with consequences to global supply chains. The SOLAS regulations prescribe two methods by which the shipper may obtain the verified gross mass:

- Method No.1: Upon the conclusion of packing and sealing a container, the shipper may weigh the packed container.
- Method No.2: The shipper may weigh all packages and cargo items, including the mass of pallets, dunnage and other packing and securing material, and add the tare mass of the container to the sum of the single masses using a certified method.



This means that the shipper should ensure that the verified gross mass of the container is provided sufficiently in advance of vessel loading. How such information is to be communicated between the shipper and any third party should be agreed between the commercial parties involved. This timely communication of the gross mass of a container has always been a point that FIATA identified as being critical, the new SOLAS amendments do not define a clear solution, but leaves it to the commercial parties.

To obtain the verified weight of a container, Method No. 2 is subject to certification and approval by the competent authority of the country in which the

of the container was completed. How the certification is to be done will be up to the countries concerned. The Working Group Sea has serious concerns about the progress and possible practical procedures related to the certification of Method No. 2. There seems to be very little awareness in the countries and the clock is ticking.

NVOCC's active in the trade with China have been filing rates with the Shanghai Shipping Exchange (SSE) as per order No 40 since 2010. In October 2013, the Ministry of Transport published implementation rules referred to as Circular No. 64 (2013), of the international container liner "Precise Freight Filing" regulation - effective February 15, 2014. Failure to follow these rules will result in penalties and monetary fines.

### ***Advisory Body Safety and Security - ABSS***

Having added dangerous goods, ABSS advised the delegation of the new regulation which bans the carriage of lithium metal batteries as cargo on passenger aircrafts which is to come in effect on January 1st, 2015. It was important to highlight that the ban is being placed on the batteries when shipped by themselves and not if they are transported within devices like mobile phones.

The ABSS meeting also addressed the topic of ACC3 by providing updated statistics on validation stations, number of validators and validations. They informed delegates of the recently established EU database which seeks to list all ACC3 validated carriers which are not accessible to anyone outside the EU. For a short term solution, it was proposed to have import agents of overseas forwarders access the EU database on behalf of the overseas counterpart and check the EDI database. FIATA is working with CLECAT, in correspondence with IATA and the EU Commission to find a resolution for forwarders; although by all accounts the situation will have been resolved by early 2015 as the EU brings penalties, etc. to bear on those carriers that are not validated.

### ***Advisory Body Legal Matters - ABLM***

Mr Yang Yuntao (*Vice-chair ABLM, China*) reported the Chinese Ministry of Finance released an official interpretation on January 22nd 2014 of the VAT exemption policy for international freight forwarders. In notice [2013] No.106, it clarifies that shipping and airline agents who make payments to international transportation providers directly or indirectly are entitled to VAT exemption. There is more transparency being available and central legislation being followed. However, there seem to be still a few issues that will need to be addressed and may take some more time until the VAT implementation has been completed.



The 2014 FIATA World Congress was concluded with speeches from both Francesco Parisi and Turgut Erkeskin and featured the passing of the baton to Chinese Taipei, who will be the hosts of next year's World Congress between 8th and 13th of September 2015.

***Date: 21 April 2015***

**(END OF REPORT)**