

Borchard Lines Ltd – Notice to Customers

Guidance on the amendment to Chapter VI of SOLAS

1. Following concerns raised by the shipping industry regarding the mis-declaration of the declared gross mass of packed containers, SOLAS Chapter VI Regulation 2 has been amended.
2. The amendment to SOLAS VI Regulation 2 which comes into force 1st July 2016 expands on how the gross mass of cargo (contents) carried in units including tare weight of the container, must be verified. This amendment gives shippers two possible options for deciding which method to use for obtaining such an accurate gross mass.
3. No change is required to Regulation 4 of The Merchant Shipping (Carriage of Cargoes) Regulations 1999 S.I. 1999 No.336, as it already places a requirement on the shipper to provide the owner or master with the gross mass of the cargo units sufficiently in advance of loading of that unit on board a ship and this amendment to SOLAS does not change this requirement.

Main principles

The responsibility for obtaining and documenting the verified gross mass of a packed container lies with the shipper.

A container packed with packages and cargo items should not be loaded onto a ship to which the SOLAS regulations apply unless the master or his representative and the terminal representative have been provided with, in advance of vessel loading, the verified actual gross mass of the container.

The purpose of this SOLAS regulation is to obtain an accurate gross mass of packed containers that are moved through the supply chain prior to loading aboard the ship.

Methods for obtaining the verified gross mass of a packed container

The SOLAS regulations prescribe two methods:

Method 1:

Weighing the packed container using calibrated and certified weighing equipment (e.g. weighbridges, load cell sensing technologies etc), which meet the applicable accuracy standards and requirements of the state in which the equipment is being used e.g +/- 0.2% as per UK regulations.

Method 2:

Weighing all packages and cargo items using calibrated and certified weighing equipment, including the mass of pallets, dunnage and other securing material to be packed in the container and adding the tare mass of the container to the sum of the single masses, using a certified method approved by the local competent authority, e.g. the Maritime and Coastguard Agency (MCA) in the UK. Scales integrated into the forks of a pallet truck or forklift may be a convenient solution for Method 2 weighing.

N.B. The VGM for each container must be declared individually.

It should be noted that for certain types of cargo items (e.g. scrap metal, unbagged grain and other cargo in bulk) it would be inappropriate and impractical to use Method 2

Notwithstanding, the requirements of the CTU Code in relation to load distribution and securing should also be followed.

(https://www.unece.org/fileadmin/DAM/trans/doc/2014/wp24/CTU_Code_January_2014.pdf)

Approval process for shippers wishing to use Method 2

In order to use "Method 2" SOLAS requires that the local competent authority has to approve the certified method used by that shipper. For example, in the UK shippers should contact the MCA for approval. Companies which successfully become authorised to use Method 2 will be registered on a UK database, overseen by the MCA. The database will be accessible to approved shippers and to both carriers (shipping lines) and port/terminal operators in order that, if they wish to or suspect a discrepancy exists, it may be confirmed, that particular containers are being presented by companies certified under Method 2, as required.

Documentation

The SOLAS regulations require the shipper to communicate the verified gross mass in a shipping document. This document can be part of the shipping instructions to the shipping company or a separate communication e.g. weighbridge certificate.

We envisage that VGM's will at least initially be communicated by the same means that shipping instructions are currently sent. Once port communication procedures are announced local communication requirements will be updated and optimised. EDI messaging may also be available subject to local acceptance.

The VGM can be communicated by a party other than the shipper however this should be agreed at the time of booking. The shipper will remain responsible for declaration by the nominated 3rd party.

The document or EDI message provided by or on behalf of the shipper should clearly highlight that the gross mass provided is the "verified gross mass" together with: the Method of weight verification; in case of Method 1 details of the authorised weigh station or in the case of Method 2 the shipper's approval number must also be included.

Irrespective of its form, the document declaring the verified gross mass of the packed container should be signed by a person duly authorised by the shipper. The signature may be an electronic signature or may be replaced by the name in capitals of the person authorised to sign it.

N.B. The shipper as named on the transport documents is responsible for providing a "verified gross mass" to the carrier or their terminal representative, regardless of who actually packs the container.

The following information will need to be provided for each container for use in VERMAS and other EDI messages used for example to communicate to port terminals.

Mandatory information may include:

- Container Number
- Booking details e.g Booking Number; POL/POD; Vessel/Voyage; Carrier
- Verified Weight including Unit of Measurement
- Responsible Party (Shipper named on the carrier's bill of lading)
- Authorized Person: Name of person issuing VGM declaration on behalf of shipper.
- Authorised Person Signature: Name in Capital letters.
- Weighing date
- Weighing Method: SM1 or SM2
- In case of Method 2: the Weight verification Method Approval number issued to the shipper by the competent national authority.
- In case VGM declaration is received via EDI from the weighing station then details of the weighing station should also be completed.

The VGM will supersede any other weight declared e.g. on booking and the VGM will be used on bills of lading. Where a container is weighed at the port and is found to differ to a declared VGM by more than the locally permitted tolerance, the terminal VGM will be used for documentation purposes. Any additional costs or fines incurred due to late or mis-declaration of the VGM will be for the account of the merchant.

Any incidence of a mis-declaration of the gross mass of a container should be corrected by the shipper as soon as practicable. Records of mis-declarations and corrections made should be available on request by the local competent authority. Failure to record and correct such incidents may result in the withdrawal of a company's "Method 2" approval.

Containers exceeding the maximum payload indicated on the Safety Approval plate will not be loaded onto the vessel until they have been lightened, re-packed and re-weighed.

Deadline for VGM data

The deadline for declaration will vary according to local port procedures however always to be received prior to loading on board. Early declaration will avoid risk of shut out and/or additional costs.

The availability of VGM data and deadlines for VGM declaration will need to be carefully considered when planning transport for export shipments.

At some ports the VGM data must be entered into the port community system or otherwise advised to the terminal prior to arrival at gate-in. Where VGM data is communicated to the carrier for onward transmission to the terminal it should be sent sufficiently in advance to allow processing of the data within normal working hours prior to the applicable cut off time.

Shipments with VGM declared by Method 2 will need to include the tare weight of the container. Due to the variation in tare weights of similar sized equipment it will be necessary to check the weight shown on the container to include in the calculation. For the majority of containers the container tare weight will be also available on the Borchard Lines website. It should be noted that the Method 2 VGM can therefore not be declared until the container number is known.

Some port terminals will automatically weigh and charge shippers for containers delivered to the terminal without VGM declared by the cut off time and it appears others may make a charge regardless of whether a VGM has been provided. Where terminals provide a weighing service, if this service has not been requested prior to arrival at the terminal, additional costs may apply. There may also be restrictions on available services depending on for example whether the containers arrive by road or rail and for dangerous goods.

Penalties

Penalties for mis-declaration may take various forms for example in the UK:

1. Commercial - Repacking costs, administration fees for amending documents, demurrage charges etc.
2. Regulatory - imposed by the MCA based upon statute which in this case are the Merchant Shipping (Carriage of Cargoes) Regulations 1999, as amended: Regulation 13 (1) A person guilty of an offence under Part II (General Provisions, Cargo information), III or IV of these Regulations shall be liable on summary conviction to a fine not exceeding the statutory maximum or, on conviction on indictment, to imprisonment for a term not exceeding two years or a fine or both.

Updates for individual ports will follow as the terminals clarify their local procedures. Furthermore some countries are still to issue guidelines on how the regulations will be enforced and further meetings are scheduled at IMO to discuss issues which have been raised. This guidance will hopefully be useful to those who are yet to prepare for compliance with the regulations.

Further information can be found at:

a) Status of national legislations:

www.worldshipping.org/industry-issues/safety/global-container-weightverification-rule-effective-july-1-2016

b) Guidelines regarding the verified gross mass of a container carrying cargo:

www.worldshipping.org/industry-issues/safety/cargo-weight