

THE JAPAN SHIP OWNERS' MUTUAL PROTECTION & INDEMNITY ASSOCIATION

SPECIAL CIRCULAR

No. 16-008 17 June 2016

To the Members

Dear Sirs,

Mandatory verification of the gross mass of packed containers from 1st July 2016

1. Introduction

From 1st July 2016, verification of the gross mass of packed containers ("VGM") is mandatory following amendment of regulation VI/2 of SOLAS:

http://www.worldshipping.org/industry-issues/safety/SOLAS_CHAPTER_VI_Regulation_2_Paragraphs_4-6.pdf

2. Applicability of the SOLAS amendment

The SOLAS amendment does not apply to ro-ro ships on short international voyages (defined under SOLAS regulation III/2) upon which containers are carried on a chassis or trailer and are loaded and unloaded by being driven on and off the ship.

3. Requirements of the SOLAS amendment

- The VGM must be obtained at the initial port of loading.
- The VGM must be accurate.
- The shipper must provide the VGM in a shipping document signed by an authorised person to (a) the master and (b) the terminal representative.
- The precise form of communication should be agreed between the parties.
- The VGM must be submitted in time for preparation of the ship stowage plan. It may be transmitted (and therefore signed) electronically.
- The provision of the VGM is a pre-condition for loading a packed container on to a ship.

4. Carrier's obligations

- The carrier must notify the deadline for providing the VGM.
- The carrier must ensure that the terminal has received the VGM.
- The carrier must ensure that local offices/agents, masters, officers and crew are aware that:
 - (a) the VGM must be used when preparing the ship stowage plan; and
 - (b) if the VGM has not been provided, then the container must not be loaded.
- If a container is received without a VGM, the master should ask for instructions from owners/ship managers without delay.

5. Commercial issues

If a container is presented for loading without a declared VGM the terminal may ask the carrier to pay for weighing and/or storage. Therefore, carriers should incorporated protective clauses into contracts of carriage (both charterparties and bills of lading). Booking notes/confirmations should contain the

same terms and conditions because a bill of lading may not have been issued by the time a container has been received by the terminal.

6. Requirements for containers loaded before 1st July 2016 and then transhipped

The IMO's Maritime Safety Committee has requested enforcement authorities to take a "practical and pragmatic approach" to enforcement until 30th September 2016 in order to allow containers originally loaded without a declared VGM before 1st July 2016 to reach their final destination. However, Members should implement their new contractual procedures as soon as possible, so as to minimise any difficulties with transhipped containers.

7. Master's discretion

Providing the VGM does not give the shipper an absolute entitlement to load a container. The master still retains ultimate discretion to decide whether to accept a packed container for loading.

8. Sanctions/Penalties

Enforcement agencies/port state control authorities will undertake document checks, auditing and/or random weighing. They will have full discretion to impose fines and/or other penalties in accordance with their national law. Members should therefore take all possible steps to have their procedures and documents ready for 1st July 2016.

Commercial penalties will include re-packing costs, administration fees for amending documents, demurrage charges, and delayed or cancelled shipments.

9. Further reading

IMO Guidelines:

http://www.worldshipping.org/industry-issues/safety/MSC 1-Circ 1475 - Guidelines Regarding The Verified Gross Mass Of A Container Carrying Cargo -Secretariat-.pdf

IMO circular letter:

http://www.imo.org/en/OurWork/Safety/Cargoes/Containers/Documents/CIRCULAR%20LETTER%20NO.3624%20(E).pdf

Yours faithfully,

The Japan Ship Owners' Mutual Protection & Indemnity Association