



The SOLAS Amendment

Instructions and Procedures

Further to our previous communications regarding this subject, meetings have gained momentum between stakeholders and government authorities at national level; however, there are still some uncertainties. Also, it appears likely that rules and legal enforcement will vary between countries, ocean carriers and marine terminals. This means compliance will be a major headache for our industry.

This uncertain scenario has also made it difficult for us to guide our customers. However, we believe we have now acquired sufficient information in order to share this document with you.

Our information is based on recent announcements, which may not yet have been fully adopted into local legislation. All information is provided “without prejudice” and we strongly recommend that you make your own investigations directly from relevant sources such as the following websites.

<http://www.imo.org/en/OurWork/Safety/Cargo-es/Containers/Documents/MSC.1%20Circ.1475.pdf>

<http://www.deutsche-flagge.de>

<http://www.imo.org>

<http://www.worldshipping.org>

<http://www.ics-shipping.org>

<http://www.deutsche-flagge.de>

On July 1, 2016 the SOLAS amendment will become law and it will be illegal for shipping lines to ship a container without a valid VGM (Verified Gross Mass).

Please be informed that recent rumours that the SOLAS implementation has been postponed are incorrect. Implementation of the SOLAS amendment will go ahead as scheduled. However local governments have been urged to take a pragmatic approach in its enforcement.

In principle, the changes in our process and documentation are very straight forward, as we only need to receive from you a VGM document for all FCL shipments on vessels leaving on or after 1st July 2016.

Requirements for FCL Shipments

Verified Gross Mass declaration for Full Container Shipments

We will need to receive from you a “Verified Gross Mass Declaration” containing the following information:

- ✓ VGM in kgs
- ✓ Name and signature of the authorised person
- ✓ Your a.hartrodt booking reference
- ✓ Date of the VGM declaration
- ✓ Container number
- ✓ Seal number



To assist you in providing us with the required information, we will provide you with a standard document that will be made available in the booking process as well as via our website www.hartrodt.com.

Your Responsibility

It is your responsibility to obtain and declare the verified gross mass of the packed container subject to one of the official methods:

Method 1: After packing and sealing a container, the shipper may weigh or arrange a third party to weigh the packed container.

The weighing equipment used must meet the applicable accuracy standards and requirements of the state in which the equipment is being used. In Germany, scales with accuracy class IV in accordance with EU regulation 2014/31/EU may be used for weighing containers as per method 1.

To determine the VGM of a container while on a chassis or truck (empty/full weighing) as per SOLAS regulation 11.1 is also possible and accepted by the German authorities. To assist this process, the German authorities (BG Verkehr) have set a standard procedure (calculation) sheet to facilitate this (Appendix 1, "Musterverfahren").

For shippers who do not have their own weighing equipment, we would like to share a list of weighing locations available for public use (Appendix 2).

Method 2: The shipper or a third party (as arranged by the shipper) may weigh all packages and cargo items, including the mass of pallets, dunnage, and other packing materials securing the cargo to be packed in the container, and add the tare mass of the container to the sum of the single masses of the container's contents.

The weighing equipment used must meet the applicable accuracy standards and requirements of the state in which the equipment is being used. In Germany scales with the accuracy class III in accordance with EU regulation 2014/31/EU may be used for weighing containers as per method 2.

SOLAS requires the weighing process as per method 2 to be certified and approved by the competent authority of the state in which packing of the container was completed.

The German government will trust Shippers with a valid ISO or AEO certification to verify the weight as per method 2, provided the weighing process is part of the certification. Shippers that have no ISO or AEO certification will still be allowed to use this method, but will need to make use of the standard procedure (calculation sheet) as issued by the BG Verkehr (Appendix 1, "Musterverfahren").

We wish to remind you that non accurate provision of the VGM may lead to substantial additional costs and delays. Such additional costs will be for your account, should a wrong declaration of weight be established.



Administration and Charges

Whilst we are well prepared and have identified procedures that will allow us to deal with the changes effectively, the new regulation will lead to additional overheads and responsibilities on our side. As such, we have no choice but to introduce a “SOLAS Handling Fee” for all Export shipments. The exact amounts will be communicated shortly.

Our SOLAS Weighing Services

We are well prepared and have identified procedures to take over the responsibility to obtain the verified gross mass on your behalf using officially certified equipment. We will weigh the loaded and sealed container on your behalf utilising SOLAS method 1. Subject to this procedure, we will not require a VGM declaration from you, but we will still need to administer the documentation and charge a “SOLAS FCL Weighing Surcharge”.

Our weighing charges will be subject to ancillary charges (e.g. multistop, waiting times, etc.) that may occur in the process. The exact amount may depend on your location and will be communicated on request.

Our LCL Services

The SOLAS Amendment does not specifically apply to LCL shipments. However, we are loading your cargo into our consolidation containers for which the SOLAS amendment does apply.

We are relying on the LCL weight as declared by you for the calculation of the Verified Gross Mass of the container. Therefore it is extremely important that you also provide the correct weight for your LCL shipments. We strongly suggest that you review your procedures for establishing the weight of your LCL cargo to ensure accuracy.

We will continue with our current procedures and accept your declared weight as part of the regular documentation related to the shipment. We still need to administer the documentation and also weigh the final consolidation container which will incur costs. These will be charged as part of the “SOLAS Handling Fee” for LCL shipments. The exact amounts will be communicated shortly.

We wish to remind you that inaccurate provision of the weight for LCL cargo may lead to substantial extra costs and delays related to all the shipments loaded in the container. Should a wrong declaration of the weight be established, the resultant costs will be for your account.



You should know

Other information of immediate relevance

- Cut off dates may change and vary from terminal to terminal (carrier to carrier). We will inform you of relevant deadlines in our booking confirmation.
- The VGM weight has nothing to do with the Bill of Lading weight. For declaring the cargo gross weight in the Bill of Lading, we will continue to follow your instructions and (usually) commercial documents. This assures that our Bill of Lading fully conforms with your commercial documents.
- Incoterms have no relevance to the SOLAS Amendment. It is the Shipper as shown on the Bill of Lading who is responsible for the VGM and relevant charges involved.

Your Support and Our Commitment

We count on your support and cooperation in order to ensure continued smooth and reliable handling of your shipments. We are well prepared to assist you in meeting the new global safety standards and have prepared the attached FAQ Document. We have been actively involved in meetings with the various stakeholders and government agencies and are pleased to share this information with you. We will be available to you personally for further support and questions. Please do not hesitate to contact our customer service team should you require any further information.

As a global Forwarder involved in responsible and sustainable shipping, compliance is of utmost importance to us. We are totally committed to the implementation and maintenance of fully compliant procedures and rely on you to assist us in this process.

Your a. hartrodt Germany Seafreight Team

Attachments

- (Appendix 1) „Musterverfahren zur Bestimmung der Brutomasse (BG Verkehr)“
- (Appendix 2) “SOLAS Verwiegeeinrichtungen” (27.May 2016)
- (Appendix 3) „Informationsschreiben des KDS (Deutsch)“
- (Appendix 4) „Informationsschreiben des KDS (English)“
- (Appendix 5) „AH FAQ Document June 2016 (English)“
- (Appendix 6) “AH VGM Erklärung”