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IMPORT FREIGHT FORWARDER WORK DESCRIPTION

Degree Programme in International Business
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The purpose of this thesis was to research and create a general work description for an import freight forwarder in company X. Description can be converted generally to any freight forwarding company, excluding functions that are characteristic to company X's role also as a port operator.

Thesis emphasizes a viewpoint of an import freight forwarder in international sea logistics since company X is a port operator and has business in stevedoring, freight forwarding, warehousing and ship agency. Due to this, the amount of internal stakeholders is probably higher compared to a freight forwarder working solely in a company providing only freight forwarding services.

Theory part consists of determining freight forwarding concept in general, applicable globally. Focusing on a description what freight forwarding is and role of it in the logistics chain. Theory part covers also most general documents used in international sea logistics. There will be included legal aspects and responsibilities of a freight forwarder and introduction to Incoterms, charter parties and ATEX.

Empirical part consists of describing functions included in forwarder's work in general level and situations forwarder encounters with different type of customers and stakeholders, giving a practical insight to forwarder's work. Empirical part contains also one example case of arranging a delivery.

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TERMINOLOGY

Cassette	Equipment used in RO-RO operations. Does not have wheels. A rolltrailer can be driven underneath cassette and lifted in order to transfer the cassette.
Container vessel	A vessel designed to specifically transport only containers. Container vessels are practically always LO-LO.
ETA	Estimated time of arrival.
ETD	Estimated time of departure.
LO-LO	A vessel type with “load-on, load-off” stevedoring method. A shore crane is used in operating the vessel. Often a general cargo dry bulk vessel with hatch covers to protect the cargo hold.
Proforma invoice	Preliminary, not final commercial invoice.
Reefer	Container with ability to transfer thermo-goods. Can be cooled down or warmed and needs to be connected to electricity.
Rolltrailer/mafi	A platform on wheels, used in stevedoring. Cargo is stored on the rolltrailer and then transferred in port area or loaded in or out of the vessel.
RO-RO	A vessel type with “roll-on, roll-off” stevedoring method. Vessel is mainly operated by pulling trailers, rolltrailers, mafis and cassettes in an out of the ship.

Stevedoring	Vessel discharging and loading.
Tank container	A container that can be handled as a regular container but is used to transport liquids. Some tank containers have in-built heating system (needs to be plugged into electricity) to keep the cargo warm.
TARIC/commodity code	Code used in identifying and classification of goods for Customs declaration.
TEU	“twenty-foot equivalent unit” For example, one 20’ container is one TEU and one 40’ container is two TEU.

1 INTRODUCTION

This thesis focuses on the role of a forwarding agent in the logistics chain. With a five-year experience as a freight forwarder, the writer has noticed that usually people do not know what freight forwarding is or what a freight forwarder does. To some extent this ignorance also includes people working in logistics related professions.

Companies do focus on the core business and often outsource logistics, which is not their core business. Moving of goods includes big amount of paperwork, arranging, special knowledge and a network of subcontractors and other contacts to succeed. Freight forwarder might be the only visible contact to sender or receiver of the goods while underneath the forwarder arranges the transport with numerous other parties.

Aim is to research and document in general what is included in the work of a freight forwarder working in a port operator company. Of course this is always case dependent but a freight forwarder tasks include creating documents needed for transports, customs clearances, arranging and timing deliveries or pick-ups, warehouse bookkeeping, claims handling and price quotations.

The nature of this thesis is highly sea transport oriented due to the fact that writer has been working as a forwarder in port operator company and research is done with qualitative method perceived from writer's own experiences.

2 PURPOSE AND CONCEPTUAL FRAMEWORK

2.1 Purpose and objectives

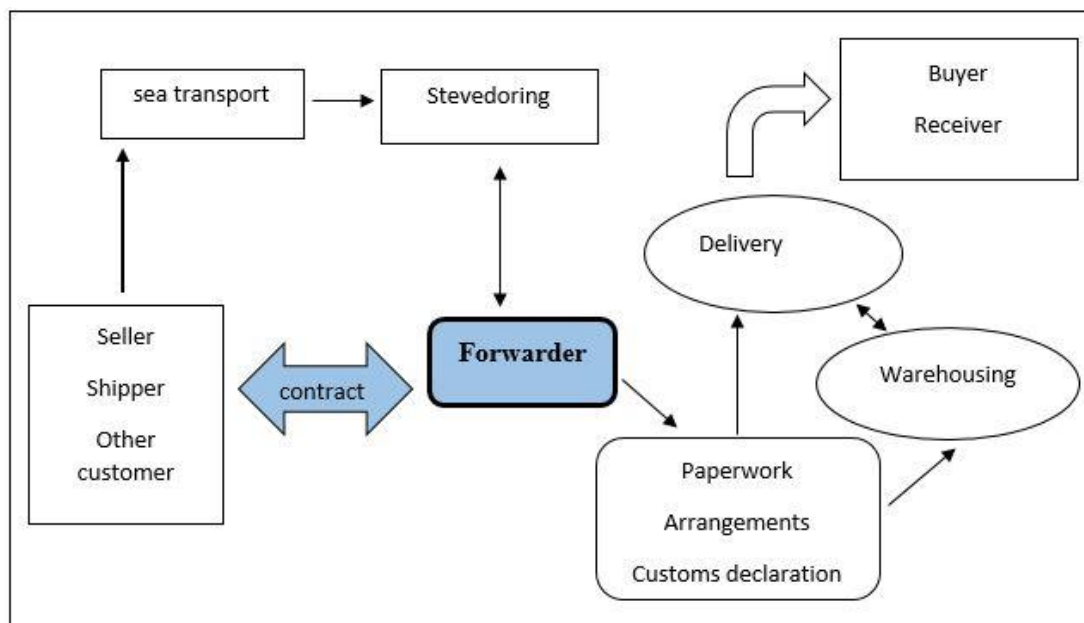
The idea of this work generated from my personal experiences. I have a five-year history working as a freight forwarder. Almost every time, when asked what I do for living, the next question was “what is a forwarder?” Usually people did link it to logistics at least somehow but not much more.

The purpose of this thesis is to research work of a freight forwarder and create a general work description but not go too deep into singular work phases. It should familiarize reader to understand the nature of the work and give insight what kind of tasks a freight forwarder has. To narrow down the thesis, it was decided to keep focus on a person working in freight forwarding rather than taking on a perspective of a freight forwarding company. It is also limited to cover only import forwarding and vessel discharging functions. Export forwarding and vessel loading functions are left out. This thesis describes only my own work in company X. In the company, there are many other forwarders with different work descriptions and the variation between work descriptions can be big, so this thesis does not apply to all forwarders in company X.

Thesis is to survey freight forwarder’s obligations to inside and outside customers and evaluate general practices in the field. Since the thesis viewpoint is based on a freight forwarder working for a port operator whose business include stevedoring, freight forwarding, warehousing and ship agency, the number of internal stakeholders (other departments in-house) will probably be higher than for a company doing only forwarding business. On the contrary, other freight forwarding companies may have functions that do not exist in the case company.

2.2 Conceptual framework

Figure 1. Conceptual framework



Above figure shows the process to get goods from seller to buyer as well as functions and stakeholders a forwarder has to take into consideration in his/her work. Both of these are used as a guideline in both, theory and empirical part of the thesis when trying to create a work description to import freight forwarder.

3 GENERAL DEFINITION OF FREIGHT FORWARDING

3.1 Freight forwarding

Since raw materials sources, manufacturing sites, and final selling points are usually not located at the same place, logistics is needed. Logistics supply chain is created by collection of different functional activities. (Ballou 1999, 6)

Global trade is based on forwarding and logistics services. Forwarding agent is responsible for arranging sent goods to reach the receiver timely, fulfilling all national and international regulations and agreements with cost effective way. Functions in-

cluded in freight forwarding are customs declarations, arrangements of international transports, forwarding and associated pick-up and delivery services.

(Website of Finnish Freight Forwarding and Logistics Association 2016)

In most countries freight forwarding concept is not determined by law. Therefore, to create general rules for the field of business, the Nordic Association of Freight Forwarders has created general conditions applying to members of mentioned association. These conditions determine contracts, services, customer's liabilities, claims and disputes and cost compensation. (Melin 2011, 232) General Conditions of the Nordic Association of Freight Forwarders in Appendices 1-4.

In international transports a forwarder must often rely on the help of a foreign forwarder to make necessary arrangements, customs clearances, deliveries at the destination country. (Jones 2008, 102)

3.2 Forwarding contracts

The activities between the forwarder and customer is governed by the type of contract between the participants. In the contract is agreed what services are provided and prices among with the length of the contract. (Melin 2011, 234)

These contracts can also be annual, meaning that customer will have continuous shipment arriving or to be delivered. In general, the annual contract is the most used type of contract in forwarding business. Normally the annual contracts agree upon price of service(s) and the annual estimated amount of transported goods. The customer gains benefits with annual contracts because the parties get to know each other's way of working and be familiar with the everyday routines. (Koskinen & Laitinen 2010, 30)

Regarding juridical aspects, in the contract:

The forwarder commits to

- perform the given assignments
- make all necessary contracts with third parties in account of the client
- follow general conditions of the Nordic Association of Freight Forwarders
- pay generated costs, to be invoiced (later) from the client as per agreement

The client commits to

- pay the forwarder as per agreed in contract
- follow customer's liability determined in general conditions of the Nordic Association of Freight Forwarders

(Koskinen & Werdermann 2010, 30)

3.3 Responsibilities of the freight forwarder

Forwarding agent is to fulfill tasks agreed with the client and act in favor of the client. This includes choosing of representatives, freight carriers and providing them with instructions. Forwarder is obligated to plan the deliveries, choose collaborative partners and make needed subcontracts. Inspecting the cargo and related documents are also duties of the forwarder. (Melin 2011, 235)

When forwarder makes the contract as a carrier, the forwarder is responsible for the subcontractors used. Responsibility includes also lost or damaged goods during the time between when goods are received for delivery and delivered to consignee as well as delayed or late delivery. (Website of SKAL 2016)

3.4 Incoterms

Incoterms have important role for a freight forwarder. Incoterms determine how the obligations split between seller and buyer. They include delivery, receiving the delivery, transport agreement, dividing of costs, dividing of risk, export and import clearance. (Website of Logistiikan Maailma 2016)

- EXW (ex-works)
Seller places goods at buyer's disposal at seller's premises, seller does not need to load the goods on collecting vehicle and seller does not make customs clearance for export. (Website of International Chamber of Commerce 2016)
- FCA (free carrier)
Seller delivers, usually at the premises of seller, the goods to the carrier nominated by buyer. Practically this means that seller loads the goods onto truck making the pick-up. It is on buyer's responsibility to arrange the pick-up and logistics after that. (Website of Incotermsexplained.com)
- CPT (carriage paid to)
Seller and buyers agree a place where seller delivers the goods on seller's own expense and risk. When the goods are delivered, risk passes to buyer. (Website of International Chamber of Commerce 2016)
- CIP (carriage and insurance paid to)
Same as CPT but seller insures the goods on a minimum cover in favor for the buyer. (Website of insurance company If 2016)
- DAT (delivered at terminal)
Buyer names a terminal or warehouse where goods needs to be delivered. Seller pays the discharging costs from carriage to terminal. The risk transfers when goods are in the terminal at buyer's disposal. (Website of International Chamber of Commerce 2016)

- DAP (delivered at place)
Seller delivers the goods to a named place but it is buyer's responsibility to unload the goods. (Website of International Chamber of Commerce 2016)
- DDP (delivered duty paid)
Seller delivers the goods to a named place and at disposal of buyer. Buyer unloads the goods. Seller carries out all customs formalities, customs clearance and pays related duties.
(Website of International Chamber of Commerce 2016)

Rules applicable only to sea and inland water transport:

- FAS (free alongside ship)
Buyer nominates a vessel in designated port. Seller delivers the goods to be at buyer's disposal, on quay, alongside the nominated vessel. All risk and costs are on buyer's account after goods are alongside.
(Website of International Chamber of Commerce 2016)
- FOB (free on board)
Same as FAS but seller's responsibility is to load the goods on board the vessel. (Website of International Chamber of Commerce 2016)
- CFR (cost and freight)
Seller delivers the goods to port and arranges the loading on board. Seller also pays for the sea transport costs from loading port to destination port but risk of loss or damage is passed to buyer when goods are loaded on board.
(Website of International Chamber of Commerce 2016)
- CIF (cost, insurance and freight)
Same as CFR but seller also insures the cargo in favor of the buyer until destination port. (Website of insurance company If 2016)

To avoid misunderstandings, it is good practice to include the place of delivery into the term inserted in cargo documents, for example FOB Helsinki. (Website of Suomen Kuljetusopas 2016)

Incoterms generated as a compromise and therefore in theory the best possible term may be impossible to apply in the real world case sometimes. Differences in interpretation occur especially when there is a need to share unclear costs generated by transportation or forwarding. In international trade emphasis is turning all the time more to terms where seller's responsibilities increase.

(Website of Suomen Kuljetusopas 2016)

3.5 Common documents in international trade

3.5.1 Commercial invoice

Commercial invoice is needed for customs clearance of goods. Customs requires an invoice to be able to determine the taxes and duties payable. (Website of Finnish Customs 2016)

Invoice needs to include information useful for buyer, customs authorities, forwarder, transporter and possibly seller's agent. Information needs to appear on invoice as accurately as possible, since many other transport document is based on the invoice. (Werdermann & Koskinen 2010, 208)

Invoice should include:

- sellers and buyers name and address
- date and number of invoice, order number and origin country of goods
- details of the goods (amount of collies, type and weight)
- TARIC (commodity) code of goods, total amount and price
- currency and payment terms
- possible price reductions or discounts and on what they are based
- delivery terms

(Website of Finnish Customs 2016)

3.5.2 Charter party (C/P)

A charter party is a contract between shipper of goods and ship owner and is usually arranged by a shipbroker. C/P sets terms of the deal and freight rate, meaning the price the shipper pays to the ship owner. Rate could be based on fixed sum per shipped ton on shipper pays to ship owner a rental fee on daily basis. Charterer means the shipper who has chartered the vessel from the ship owner. (Website of BIMCO 2016)

One type of chartering is a one voyage charter. Ship owner agrees to transport a specific cargo from loading port to discharging port within agreed price per ton. In the C/P of this type usually the lay-can date is set. That means the time between when the ship arrives to loading port and is discharged at the destination port. (Website of BIMCO 2016)

Second type of chartering is time chartering. C/P is made with a daily or monthly rate. Charterer instructs the ship owner to operate the ship and during the agreement, all running costs, fuel and insurances are paid by the charterer. (Website of BIMCO 2016)

Third and more long term agreement is known as bareboat chartering. Ship owner agrees to hand over the operation of the ship to the charterer. During this period charterer operates the ship like he owns it. Charterer covers all generated expenses: repairs and running costs, fuel, crewing and insurance. (Website of BIMCO 2016)

Fourth type is contract of affreightment. This is used mainly when charterer need to move big amounts of cargo involving many voyages. An example of this kind of agreement is when charterer needs to ship 120 000 tons of cargo per month from South America to Europe. Ship owner is free to arrange their ships in any way of liking as long as contract is fulfilled. (Website of BIMCO 2016)

3.5.3 Bill of Lading (B/L)

Bill of Lading (appendices 5-6) has been mentioned first time already in 1667 maritime law. There was a need for a paper that symbolizes the transported goods. (Werdermann & Koskinen 2010, 216) If, for example, the cargo was sold forward during the sea passage, the buyer bought the Bill of Lading and was entitled to claim the goods at destination port. (Melin 2011, 203)

Bill of Lading is vessel's receipt of loaded cargo. Weight of the cargo is precisely noted as well as the condition. B/L is usually signed by the carrier (shipping company), captain of the ship or ship's agent under authorization of captain. B/L represents the goods, by selling the B/L, the cargo is sold also. At discharging port, ship releases the cargo only to someone who presents the original B/L. (Melin 2011, 203)

In short, B/L is:

- Proof of transport contract
- Receipt that carrier has received the cargo and it is loaded in the ship
- Commitment to deliver the cargo to destination
- Commitment to release the cargo in destination only against the original B/L

(Werdermann & Koskinen 2010, 216)

3.5.4 CMR

CMR (appendix 7) is used when goods are transported via road. It is valid as a delivery contract between sender and carrier. Sender is responsible for information entered into the document, though it is common practice that transport companies make the CMR on behalf of sender, based on information acquired from the sender. At least three copies must exist: one for sender, second for carrier and third for consignee. (Werdermann & Koskinen 2010, 230)

CMR needs to be signed by the sender, carrier and receiver of the goods. With signature carrier confirms that he has received the goods for transport and receiver signature confirms that he has received the goods. The driver's responsibility is to visually

check the goods when receiving the goods to be transported, and make a remark in the document if necessary. (Melin 2011, 211)

3.5.5 Cargo manifest and AREX

All cargo on board of a vessel is listed on cargo manifest. Cargo manifest should include port of loading, port of discharge and details of cargo, such as quantity, type, numbers, weight, sender and consignee and the customs status of the cargo.

(Website of Logistics Glossary 2016)

Finnish customs has service named AREX. It is used to submit declarations for third country goods and Community goods arriving or exiting Finland. To be allowed to make all possible declarations, user needs to be Custom's identified user. AREX declaration is not a customs declaration of goods. (Website of Finnish Customs 2016)

Via AREX following declarations are submitted:

- entry summary declarations
- summary declarations for temporary storage of goods
- arrival notifications
- arrival notifications for presentation
- diversion requests
- exit summary declarations
- exit manifest presentations
- exit notifications
- arrival notifications for temporary storage
- unloading reports of temporary storage

(Website of Finnish Customs 2016)

4 RESEARCH IMPLEMENTATION

4.1 Research methodology and environment

Qualitative research's fundamental idea is that it describes or measures real life and subject is researched in a general and comprehensive way. In traditional sense, qualitative research cannot reach objectiveness because the researcher and the information is linked together. The result is conditioned explanations limited in time and place. It is generally accepted that qualitative research tries to find or reveal facts rather than trying to prove existing factual statements. (Hirsjärvi, Remes & Sajavaara 2009, 161)

Typical characteristics to qualitative research is that the material is comprehensively gathered from natural and real environment. The primary information gatherer is human, where the researcher trusts more in his/her own perception in information gathering rather than measurement methods. Methods are favored, in which the viewpoints and experiences are revealed., for example themed interviews, group interviews, analyzing documents and texts. Subject group is picked appropriately instead of randomly. (Hirsjärvi, Remes & Sajavaara 2009, 164)

This research is qualitative, it is based on my experiences working in the import forwarding department of company X. Company is the port operator in a major Finnish commercial port, offering services in stevedoring, forwarding, ship's agency and warehousing. In 2015 total amount of handled goods by the company was export 3,65 million tons, import 1,5 million tons and 262567 TEU containers. Amount of operated vessels in 2015 was 1139.

The company has its own fully custom made computer program. This single program includes everything needed to operate the port and all related functions. When the text refers to "program", it is the above described program.

The thesis does not present forwarder's actions necessarily in chronological order but instead categorized in different groups. Since the import forwarder's work in port operator company involves also actions concerning arriving vessels, usually one for-

warder has multiple vessels to work on at the same time but to simplify the process only one vessel is used as an example.

5 FORWARDER'S WORK

5.1 Background for different types of vessel calls

In practice vessel calls can be separated in two groups: vessels with fixed rotation and schedule and vessels chartered to deliver specific cargo from port to port. There are differences between these two types even though the general process is the same for both.

Forwarder needs information and cargo documents before vessel's arrival in order to be able to perform necessary actions and pass the information or orders to stakeholders. Source of this information and documents differs case by case, so arriving vessels are separated to liner vessels with fixed rotation and schedule and chartered vessels.

5.1.1 Liner vessels in fixed rotation and schedule

These vessels are most often either RO-RO or container vessels. They have fixed route of port calls and schedule. For example, the routing could be Hull-Zeebrugge-Bilbao-Kotka-Rauma and rotation time one week. This means that this liner vessel calls Rauma once a week, arrives from Kotka and departs to Hull.

Cargo manifests are received from the shipping company. Method of getting the manifest differs due to different practices for every shipping company. Forwarder either gets them via e-mail or logs into the internal system of the shipping company to get the manifest. Manifest can be preliminary or final. Manifest is preliminary when all the cargo is not yet loaded into the vessel and vessel has not yet departed from loading port. Manifest is final when vessel has departed and shipping company

confirms that all cargo on board corresponds to the manifest. Shipping company makes the AREX declaration if necessary.

5.1.2 Chartered vessels

Chartered vessels do not have fixed routes or schedules. These vessels are most often general cargo LO-LO ships. Sources of necessary cargo docs and information is more variable than in case of fixed liners. Forwarder has to rely much more on the shipbroker, shipping company and shipper to get necessary information, manifest and documents.

Chartered vessels usually bring large quantities of a specific cargo, meaning that the cargo needs to be warehoused in the port. It is forwarder's responsibility to keep track of the warehousing. This type vessel calls also require forwarder to make AREX declaration.

5.2 Actions prior to vessel's arrival and discharging

In order for 'operator' (production department, who is responsible for the actual stevedoring work) to be able to discharge import cargo from the ship, the cargo needs to be entered into the program. To start the process, the forwarder needs to know about the arriving ship. The information can be obtained from shipping line schedule if the vessel is a liner in fixed rotation. The schedule is available either from shipping company website via internet, shipping company may send it via e-mail or the ship agency delivers it. In practice liners with fixed schedule are routine since they visit the port regularly with little variation in schedule.

With chartered vessels the information about arriving ship is usually received from ship agents. In some cases, the shipper acts also as charterer, receiver and/or warehouse customer. In those cases, the customer itself may inform forwarder about the forthcoming ship. If the forwarder hears about the planned vessel from customer, he/she should contact ship agents and operator to share and get necessary information regarding the vessel call. It is good to know the discharging schedule of the

vessel, since the information will be valuable later on when forwarder is in contact with customers.

When the forwarder is aware of the arriving vessel, he/she needs to also know what cargo the vessel is bringing. This information can be found from the cargo manifest. For fixed rotation vessels, the cargo manifest is obtained either by logging into the shipping company service via internet and downloading the manifest from there or it can be sent via e-mail by the shipping company. Unlike vessel schedules, the cargo manifest is not a public document and is available to only to corresponding parties that need it. For chartered vessels, the manifest is usually received from the company's ship agency department and occasionally also from ship agents at loading port. The manifest needs to be sent also to the Finnish customs.

In order to successfully discharge import cargo from the ship, all cargo must be inserted into the program. This is done using the manifest. When forwarder has obtained the cargo manifest of arriving ship, all cargo details are inserted manually into the program. Every vessel call has its own unique voyage number in the program and naturally the correct one should be used when starting to enter the cargo details into the program. Information to be inserted is:

General information:

- sender, owner and receiver of the goods
- principal (to where the invoice is sent)
- country of origin (country where the goods were originally produced)
- country from where the goods are sent to destination port
- customs code of place of arrival
- B/L number (if available)
- transport company (who will pick up the goods for transport)
- delivery term (if available)

Cargo specific information:

- identification ID of the possible transport unit (container number, trailer number, rolltrailer number)
- in port area, location where the cargo or transport unit needs to be positioned after discharging from vessel (a short code of numbers and/or letters is used)
- description of goods, amount and type packaging and weight
- possible additional remarks of reference numbers
- customs declaration details if the cargo needs customs clearance

After the necessary info is entered, forwarder sends arrival notification to the receiver. This is done directly from the program to either e-mail address or fax number. Most often e-mail is used.

In case there are several units of cargo on same B/L, then the general information is needed to enter only once and in cargo specific information enter the cargo details separately (for example, 20 containers of same product to one receiver). In this case receiver get arrival notice where all 20 containers are included in the same notice, instead of getting 20 notices with one container each.

This phase is extremely important in two ways: firstly, since in most cases the cargo needs to be entered into the program before vessel can be discharged, especially if there is big amount of cargo units to be discharged (for example 500 containers). In general, there are cargo specific practices within the company determining where different cargoes and transport units are positioned after discharging from vessel. Forwarder needs to be aware of these practices. Secondly, later on the invoicing process relies completely to the information entered into the program at this point.

5.3 Price quotations, customers and long term contracts

Forwarder gets contacts from customers when the customer needs to transport cargo. The customer can be old, already familiar to forwarder or a new one. For quotation forwarder needs to know all cargo details: type, weight, amount, measurements, spe-

cial requirements or limitations in handling and where the cargo is to be delivered and if some additional services are needed. If necessary, forwarder makes his/her own price quotation to a subcontractor, for example transport company. After possible subcontractor rates are clear, forwarder calculates the price offered to the customer. If there are special requirements in cargo handling, for example exceptionally heavy lifting or additional handling in port, the price enquiry is forwarded to marketing department who quotes the price to customer. Customer either agrees to the offer, bargains or declines the offer.

This could also work another way, where the customer contacts directly company's marketing department instead of the forwarder. If marketing department is able to get the contract, then forwarder receives notification from marketing. Either way, forwarder needs to know the name and arrival date of the vessel bringing the cargo, the agreed price of the contract and instructions received from the customer.

Contracts can be also long term instead of just one time contracts. For example, forwarding company in Belgium ships their customer's containers regularly every week from Antwerp to Finland. They have made annual deal with the company to handle freight forwarding of those containers. The principal forwarder in Belgium send arrival notices to forwarder in Finland. Local forwarder knows already which containers are to expect and can start making the necessary arrangements well before the date of vessel's and containers arrival to discharging port. This also makes forwarder's work a little easier with the customer because the relationship between the companies could have lasted for decades and both parties know the working ways of each other and trust exists in a deeper level.

5.4 Customs clearance

If the cargo arrives outside European Union, a customs clearance is required before the goods can be used or re-sold within European Union. For Customs declaration, forwarder needs the commercial final or proforma invoice. This is obtained from customer, usually seller or buyer of the goods.

Forwarder makes the customs declaration directly with the program via EDI message to Finnish Customs. In many cases the invoice contains already all necessary information needed to make the declaration, but if not, then forwarder contacts the customer for additional info. TARIC commodity code needs to be checked if it holds specific restrictions or requirements for additional import permits or documents. Customs invoices the company for duties and taxes generated by the declaration, which forwarder later invoices from the customer.

Declaration can be also done with proforma invoice. In this case forwarder needs to present Customs the final invoice usually within one month after the declaration unless Customs have specifically granted more time to present final invoice.

5.5 Communicating with stakeholders

Forwarder's job requires organizing and arranging different actions simultaneously. This leads to the need to be in contact very much with different stakeholders and parties. In this case the amount of internal stakeholders is big because the company provides wide variety of services also other than forwarding.

External stakeholders:

The customer and principal of forwarder. Naturally the communication with the customer should be as open as possible in both ways. Initially the customer informs necessary details of the cargo in order for forwarder to make the appropriate choices while arranging a transport. Forwarder is in contact with the customer when changes happen, for example when receiver wants to change the delivery date of goods. Communication is especially important and should be without delay when unexpected issues occur and/or extra costs are generated. In case of unexpected extra costs, forwarder needs to find out a payer for those costs before proceeding further. Finding payer for extra costs if they are reported afterwards is always hard.

Forwarder communicates also with the customer's customer. In this case this means manufacturer of product (raw material), who has sold it with DDP term to buyer. Seller uses foreign forwarder to arrange the delivery from the factory to buyer's factory in Finland. Seller's forwarder uses company X as local forwarder to arrange warehousing and deliveries from discharging port to the buyer's factory. Forwarder receives instructions to deliver directly from the seller itself.

Forwarder is in contact with receivers of the cargo. Normal procedure is to send the automated arrival notice to receiver's e-mail from the program after the information is inserted from the cargo manifest. Forwarder then either calls or sends e-mail to the receiver to inquire preferred delivery date for the goods and also other possible requests of the receiver. Often also the receiver contacts the forwarder first, if the receiver is already familiar to the forwarder. Usually they inquire if the forwarder has knowledge about cargo that should arrive to the discharging port in the future, what is the vessels ETA and discharging prospects so they can plan their own production based on these estimates.

Shipping companies are in contact if changes are made to the final manifest. They know that the manifest is important tool for forwarder and changes need to be reported. Forwarder contacts the shipping company if the manifest lacks needed information, can be interpreted in more ways than one, needs additional information about the cargo or releasing cargo to receiver. Shipping companies handle empty containers by themselves via company's container depot. If owner of the container is other than the shipping company (also known as shippers own container), forwarder makes the booking to the shipping company, to ship the container back, usually empty. For example, tank- and bulk containers are often owned by this kind of logistics companies.

Internal stakeholders:

In most cases the forwarder is the company's contact person to outside customers, being a buffer between the customer and other functions within the company. Customer orders services via the forwarder. These kind of services include discharging cargo from container or rolltrailer and loading it onto truck, connecting containers to electricity (reefers and heated tank containers) and moving containers to warm warehouse in the wintertime. Information from other departments within the company is passed on to the customer via the forwarder.

For every container delivery, forwarder makes the CMR. It is then sent to company's traffic control office located at the port gate building. When the forwarder has made a delivery order to transport company, the truck driver arrives to traffic control where he gets the CMR and is directed to container yard. Traffic control contacts the forwarder when there are confusion regarding CMR or other cargo documents or driver tries to claim cargo with inadequate information or paperwork.

Container terminal reports to forwarder when damage to container has been noted or caused. Sometimes the container is damaged already prior to discharging from vessel or the damage can be caused in port when handling the container (discharging from vessel, lifting onto truck). If needed, forwarder gets pictures of the container and also of the cargo if customer gives permission to open the sealed container. If the container is not owned by a shipping company and needs repairs, the forwarder also arranges the repair. This is done by instructing container terminal to deliver the broken container at the disposal of a third party workshop located inside port area.

After vessel's arrival, when discharging has commenced, occasionally forwarder is in contact with stevedoring foreman assigned to the vessel. Sometimes truck can be already in the port waiting for the container that is not yet discharged from vessel but needs to be delivered urgently to receiver. From foreman forwarder can get estimated time, for example when a specific container is discharged from the ship.

If goods need to be discharged from container before delivery to receiver, forwarder handles this by instructing container terminal to deliver the container to distribution

terminal. Correspondingly forwarder informs distribution terminal about the arriving container and instructions regarding the unloading. In this case after ordering delivery, forwarder sends the CMR to distribution terminal.

In normal situation forwarder gets information about arriving chartered vessel from ship agency department. With ship agents is also discussed about the arrival and discharging prospects of the vessel. In most cases necessary documents such as cargo manifest and Bill(s) of Lading are received from the agents.

Invoicing is divided between the forwarder and actual invoicing department. Invoicing department invoices for example shipping companies of stevedoring work needed to operate the vessel. Normally forwarder makes the process straightforward via the program but occasionally invoicing needs additional or case specific information. Forwarder invoices many of the non-stevedoring related actions. Such are for example, empty container lift at the container yard if container owner is not shipping company, warehousing for warehouse customers, forwarding assignments in cases when the cargo has arrived to some other port and Customs declarations.

5.6 Arranging deliveries

Delivery arrangements are already briefly described in general earlier in part communicating with external stakeholders and receiver. Forwarder starts to arrange the delivery after assignment by the customer. Deliveries vary between a simple and straightforward container delivery to more complex special or project cargo deliveries. It should be noted that in this thesis container deliveries are with DAP or DDP term where the seller of goods is also responsible for delivery of the goods. The buyer pays the seller to provide the goods to buyer's premises.

With container deliveries receiver requests a delivery date when the goods are to be delivered. Forwarder then makes a transport order accordingly to the transport company, prepares the CMR and sends it to the traffic control. It is also a good practice to inform customer also about the agreed delivery date. One container could also

hold cargo for two or more receivers. In that case the delivery schedule of one container is agreed with all receivers before making the transport order.

Receivers can also have limitations for discharging the cargo. If, for example, receiver informs that they do not have a discharging/loading dock for trucks, instead they are only able to discharge trucks from a ground with a forklift. Forwarder makes a transport order for conventional truck with possibility to discharge from the side with a forklift.

5.7 Warehousing

Some customers need warehousing services when they ship large quantities of goods into the port and the goods are distributed to customer's customers in smaller batches. These goods usually arrive with containers, which are discharged at the distribution terminal and warehoused there. Forwarder uses the program to keep track of the warehouse balance, what has been delivered, to who and what is left in the stock. For the distribution deliveries, forwarder makes the transport order to transport company, prepares the CMR and send it to distribution terminal. At the end of the month forwarder invoices warehouse use from the customer including container discharging and truck loading.

Other type of warehouse customer is a customer who charters a ship with large quantity of cargo, for example pulp. With these vessels the process is mainly the same but the forwarder needs to be aware of the vessel's arrival and discharging prospects, since there is a possibility that the cargo is needed urgently at the receiving factory, meaning that first truckloads could be loaded almost immediately from vessel to truck.

5.8 Cargo damages, claims

Cargo loss or damage causes much unnecessary work to forwarder, even if the damage occur before the goods are under forwarder's responsibility. Naturally forwarder's first action is to inform the customer. In DAP and DDP delivery terms the receiver of goods is not the customer. Customer is the seller/sender of cargo or the

forwarding company seller has contracted. After contact with the customer, forwarder informs receiver. This of course depends if this is agreed with the customer, sometimes customer informs the receiver himself.

If the damage has occurred before forwarder's responsibility, for example while cargo was unloaded from the vessel, the responsible party is stevedoring operator, the forwarder still needs to make arrangements. These actions can be, for example, arranging return or re-delivery of damaged cargo, possibly separating the damaged goods from undamaged and delivering them to different receivers. It is also possible that damaged cargoes of specific nature are required to be disposed of properly, for example dangerous goods cannot just be dumped into trash yard. Often forwarder arranges the disposal.

Depending on the extent of loss or damage, forwarder contacts the insurance company. Normally insurance company assigns a cargo surveyor to investigate the case and make a statement. Insurance company then uses the statement in decision making. If the forwarder has not contacted insurance company, it is still common practice that forwarder assigns a cargo surveyor and a joint survey is held together with all concerning parties.

If the loss or damage occurs by the actions of forwarder's subcontractor, the forwarder is still responsible to the customer. The case is handled with the customer and forwarder makes own claim to the subcontractor. On rare occasions there can be conflicts between forwarder's customers. For example, forwarder can represent both, the shipper and shipping company when cargo is noticed to be damaged prior discharging from the vessel. In these cases, forwarder needs to be extremely careful concerning the chain of reporting, for example.

5.9 Example case, organizing a delivery

Forwarder received a price quotation from a customer. Customer was planning to ship a single piece of 98-ton project cargo to Finland. Quotation included discharging from ship, loading onto truck and transport to receiver approximately 500 kilometers inland from the discharging port. Cargo was sold to buyer with DDP term so it was receiver's responsibility to discharge cargo from the truck at the destination. Cargo was arriving from within EU so Customs declaration was not necessary. Cargo was to arrive loaded on weather deck of a RO-RO vessel, and it was clear from the beginning that lifting has to be done with operator's mobile crane and crane's maximum lift capacity is 100 tons. After discussion with the operative department, it was decided that for safety reasons two mobile cranes are to be used simultaneously. Forwarder contacted customer to ask details of the cargo's lifting points to determine possibility to use two cranes. Turned out that lifting with two cranes is possible. Using two cranes naturally adds costs but the customer agreed on the safety reason. Case was then forwarded to marketing department with necessary details. Marketing department made own quotations to transport companies and chose the transporter and made an offer to customer who accepted it.

With truck, special trailer and cargo, the total weight of the unit can be approx. 130 tons and naturally this requires special permits to drive it on the public roads, but all this was handled by the transport company. Customer sent receiver's contact information to forwarder in order to plan the delivery and gave information also on vessel's ETD and ETA times. Forwarder contacted transporter to find information about how long the cargo securing takes after the cargo has been loaded onto truck and the needed time for the actual transport. Cargo should be at the destination approximately at 08:00 the day after vessel arrives and truck is loaded. With the information forwarder called the receiver and the schedule was acceptable to the receiver. Receiver is responsible to arrange the discharging of the truck so he needed to order cranes for discharging. After this, forwarder called the operative department and informed them what has been planned. To save time and resources, it was decided that the cargo has to be discharged directly from vessel to truck. Arrival time of truck was already known. Plan was to start weather deck discharging immediately after vessel arrival

and the project cargo was to be lifted first. Operator reserved two mobile cranes to be alongside the vessel on arrival.

After acquiring the cargo manifest, forwarder entered the cargo information into the program as usual, created and sent the CMR to the transporter. The vessel was on schedule and truck arrived at the same time with the vessel. Cargo was discharged directly from vessel to truck and successfully discharged at destination the next morning.

6 EVALUATION AND CONCLUSION

The purpose of this thesis was to create a work description to forwarder's work in company X. Main topic was to introduce in general level what a forwarder's work is about without focusing on single functions on micro level, and the thesis succeeded in the purpose. Forwarder's work was successfully supported by the topics chosen in the theory part and theory meets well with the research. Due to the very challenging timeframe for making the thesis, the research method was qualitative, based on my own experiences doing the work and interviews with other company X employees was chosen to be left out.

This thesis could provide useful for people studying logistics, materials management and supply chain themes or people who are interested to start working as a forwarder. Thesis usefulness includes also those who already work in the field, such as logistics coordinators in manufacturing companies, purchasers and staff of transport companies. In company X, thesis could be used as general basis in summer or temporary worker trainee orientation. Especially the theory part could provide useful for this group.

This thesis could generate new research that goes deeper into the areas introduced in this thesis, such as sea transport and road transport processes, Customs declaration processes, processes within the company or communication and relationships with customers.

Due to the very tight schedule, the thesis was made fast from start to finish without further planning. Considering the circumstances, I am satisfied with the outcome and looking in retrospect, cannot think of doing anything differently if I had to do this again.

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APPENDIX 1

General Conditions of the Nordic Association of Freight Forwarders, page 1

NSAB 2015 / 29.10.2015

These Conditions will enter into effect as of January 1st, 2016 and are the result of negotiations between the Nordic Association of Freight Forwarders and the following organisations:

DENMARK: The Danish Chamber of Commerce (Dansk Erhverv)	NORWAY: Confederation of Norwegian Enterprise (NHO) and Federation of Norwegian Industries (Norsk Industri)	FINLAND: ICC Finland and Finnish Shippers' Council	SWEDEN: The Confederation of Swedish Enterprise
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INTRODUCTORY CONDITIONS

These General Conditions of the Nordic Association of Freight Forwarders set forth the freight forwarder's and the customer's rights and obligations towards each other, including the freight forwarder's liability under various applicable transport law conventions valid from time to time, such as CIM, CMR, the Hague-Visby Rules and the Montreal Convention, or any amendments, annexes or protocols of any such transport law convention.

Special Regulations and / or Provisions may apply in the applicable member countries of the Nordic Association of Freight Forwarders due to national legislation.

APPLICABILITY

§ 1

These conditions shall only and exclusively apply to members of the Nordic Association of Freight Forwarders.

However, upon explicit notice given by a member association of the Nordic Association of Freight Forwarders with effect for the concrete member associations' country, these provisions may also be used by non-member companies.

NETWORK CLAUSE

§ 2

If a certain mode of transport has been expressly agreed upon, or if it is proved that loss, depreciation, damage or delay has occurred whilst the goods were being carried by a particular means of transport, the freight forwarder shall be liable in accordance with the law applicable to such mode of transport and commonly used conditions of carriage, to the extent that these deviate from what is laid down in § 6, section 2 and 3 or §§ 15 – 21.

THE FREIGHT FORWARDERS CONTRACT

§ 3

A. Services

The freight forwarders contract may include:

- carriage of goods, agency services and intermediary services,
- logistic services, supply chain services and advisory services,
- storage of goods and warehousing services,
- stevedoring services and ship brokering,
- other services, such as – but not limited to – customs clearance, other customs and VAT-related services, co-operation in the performance of the customers obligations under public law, assistance in handling insurance-related issues and assistance in relation to export and import documents.

B. The freight forwarder as contracting party

- 1) In accordance with §§ 2 and 15-21, the freight forwarder will be responsible as a contracting party for all services undertaken by the freight forwarder excluding instances under section 3 C below. The freight forwarder is furthermore responsible for other contracting parties that the freight forwarder has engaged to perform or carry the contract on behalf of the freight forwarder.
- 2) These conditions apply equally to the persons that provide services for the freight forwarder in order to perform the contract as to the freight forwarder himself, irrespective of the grounds for the customer's claims against the freight forwarder and such other persons. The aggregate liability of the freight forwarder and such other persons is limited to the amount that applies to the freight forwarder's liability under these conditions.

C. The freight forwarder as intermediary

Notwithstanding article 3 B.1 above, the freight forwarder can in accordance with §§ 22 – 24 below, undertake services – or parts of services – as intermediary, if the freight forwarder does not undertake such services in his own name or on his own account and on the condition that the freight forwarder specifies to the customer that the services are undertaken solely as intermediary. As intermediary, the freight forwarder is not responsible for parties other than his own employees.

D. Warehousing

The responsibility of the freight forwarder with regards to warehousing or storing is governed by and in accordance with § 25 below.

E. General practice etc.

In addition to what has been expressly agreed upon, general practice and commonly used terms shall be applicable in so far as they do not deviate from these conditions.

THE CUSTOMER

§ 4

Under the present conditions, the customer is the party that has concluded a contract with the freight forwarder, or that has acquired the rights of that party. The liability of the customer is governed by § 26 of these conditions.

GENERAL CONDITIONS**THE PERFORMANCE OF THE CONTRACT**

§ 5

The parties recognize the importance of and shall provide each other with information necessary for the performance or fulfillment of the contract. The freight forwarder undertakes to perform services, to pick up, take care of or procure the handling of the goods in accordance with the contract terms and in a suitable way for the customer with generally used means and routes of transport.

A contract between the freight forwarder and the customer (for carriage or other services) evidenced by electronic transport documents shall be deemed to have been concluded only when the freight forwarder issues an electronic receipt which includes an acceptance thereof.

Instructions to the freight forwarder concerning the scope of the contract shall be given directly to him. Information contained in the invoice stating that goods have been sold cash on delivery or against a declaration of value specified in the dispatch instructions does not therefore mean that the freight forwarder has undertaken to collect the invoice amount or to take out an insurance.

Unless otherwise agreed it is the customer's obligation to arrange for loading and unloading of the goods and it is the freight forwarder's obligation to arrange for stowing and securing of the goods.

§ 6

It is the duty of the freight forwarder to prove that, according to the contract, he has protected the customer's interests in a diligent manner.

The freight forwarder may not invoke the rules in these conditions which exonerate him from or limit his liability, or alter the burden of proof, if it is proven that the freight forwarder's subcontractor has wilfully, or the freight forwarder himself or his own employees have wilfully or grossly negligent, caused the damage, delay or other loss, unless otherwise stated in § 2.

If the exact circumstances that resulted in loss, depreciation of, damage to or delay of goods which occurred when the goods was in the custody of the freight forwarder cannot be demonstrated, this shall not in itself be considered as gross negligence on part of the freight forwarder.

§ 7

The freight forwarder shall be responsible for ensuring that the goods are picked up, carried and delivered within a reasonable time (without a time guarantee). When assessing such reasonable time, information as to the expected time of pick up, carriage and arrival stated by the freight forwarder in his marketing or in connection with the signing of the contract, shall be taken into account.

The freight forwarder is responsible (with a time guarantee) for the goods being picked up, carried and delivered within the time that:

- has been agreed upon in writing as a special, time-guaranteed transport, or
- has been submitted in writing as a condition of an offer expressly accepted by the freight forwarder, or
- has been presented by the freight forwarder in a written quotation that was accepted by the customer.

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APPENDIX 2

General Conditions of the Nordic Association of Freight Forwarders, page 2

§ 8

If it becomes necessary for the freight forwarder in the performance of the contract to act before seeking instructions, he does so at the customer's risk and for his account.

If the risk of depreciation of goods already taken over arises or, if by reason of the nature of the goods, there is a danger to persons, property or to the environment, and the customer cannot be reached, or should he not, upon being requested to remove the goods, arrange to do so, the freight forwarder may take appropriate measures in respect of the goods, and, if necessary, sell the goods in an appropriate manner. The freight forwarder may, depending on the circumstances and without notice, sell on behalf of the customer, render harmless or destroy goods which are in danger of becoming worthless or extensively depreciated, or which give rise to imminent danger.

After deduction of reasonable expenses connected with the sale, the sum received from the sale shall be immediately reported to the customer.

The freight forwarder shall notify the customer as soon as possible of measures that have been taken, and, upon request, supply evidence of any expenses in connection herewith, as well as prove that he has exercised due diligence in limiting costs and risks.

For such expenses the freight forwarder may debit a special expense charge.

§ 9

The freight forwarder has a duty to promptly inform the customer and notify a claim against a third party, where goods have been damaged, delayed or when some other loss has occurred due to that party's acts or omissions, but only if the freight forwarder or his own employees have – or ought to have had – knowledge of such damage, delay or loss. The freight forwarder shall in such case inform the customer and consult with him in order to take such steps as are necessary to secure the customer's claim to compensation from the party who has caused the damage or loss, or who is responsible therefore, and shall, when requested to do so, assist the customer in his relation to the third party.

If so requested, the freight forwarder shall transfer to the customer all rights and claims that the freight forwarder may have under his agreement with a third party.

§ 10

The offer made by the freight forwarder is based on information relevant to the contract supplied to the freight forwarder by the customer, or otherwise as the case may be, on circumstances that the freight forwarder may assume as being normal for the intended contract.

§ 11

Notwithstanding the customer's obligation as to payment under contracts of sale or freight agreements with parties other than the freight forwarder, he has a duty upon request, subject to terms being agreed upon, to pay the freight forwarder what is due as per the contract (remuneration, advanced payment, refund of outlays) including advance payment to the freight forwarder for such expenditures, against appropriate documentation.

Unless otherwise agreed upon the freight forwarder is entitled to – when the goods have not been delivered for transport under the terms of the contract and the contract therefore cannot be executed, wholly or partially, as agreed upon, and further in the event the contract is interrupted and cannot be executed as agreed upon due to circumstances beyond the control of the freight forwarder or his subcontractors – receive the agreed charges for freight and other remuneration subject to deductions for what the freight forwarder has saved, or could reasonably have saved, by not having to execute the contract.

The above should also apply in the event the freight forwarder agreed to allow the customer to defer payment until the arrival of the goods at the place of destination.

§ 12

For services which are clearly necessary in addition to what has been explicitly agreed upon or normally follows from the freight forwarder's contract, including additional expenses for services rendered by the freight forwarder but under the scope of the agreement and contract, the freight forwarder is entitled to additional compensation. Such compensation shall be subject to the same principles as compensation for services agreed upon under the scope of the agreement.

CONFIDENTIALITY AND INFORMATION SECURITY

§ 13

The parties undertake to treat all material information received from the other party as confidential.

Each party is responsible for that its employees and advisers comply with the obligations of the party as set forth in the freight forwarding contract.

The parties shall take appropriate technical and organizational measures to safeguard the information security of its services and the storage and use of information processed in its information system having regard to the security of the functions, telecommunication, hardware and software as well as the confidentiality and integrity of the data content.

All access to the information systems of the freight forwarder or the customer

must be conducted in a manner which safeguards the security of the accessed information system.

The parties shall exercise reasonable care in observing the obligations above taking into account technology available and the risks and costs involved.

The obligations set forth above in this § 13 shall survive termination of the contract between the freight forwarder and the customer.

RIGHT OF RETENTION AND LIEN

§ 14

The freight forwarder has a right of retention and a lien on the goods under his control, for fees and expenses in respect of such goods – remuneration and warehousing charges included – as well as for all other amounts due from the customer under contracts according to § 3 above.

Should the goods be lost or destroyed, the freight forwarder has similar rights in respect of compensation payable by insurance companies, carriers or others.

Should the amount due to the freight forwarder not be paid, he has the right to arrange the sale, in a satisfactory manner, of as much of the goods as is required to cover the total amount due to him, including expenses incurred. The freight forwarder shall, if possible, inform the customer well in advance what he intends to do with regard to the sale of the goods.

SPECIAL CONDITIONS

THE FREIGHT FORWARDER'S LIABILITY AS A CONTRACTING PARTY

§ 15

The freight forwarder is liable as contracting party in accordance with §§ 2 and 16 – 21 for loss, depreciation of or damage to goods, occurring between the moment when the goods have been taken over until the moment the goods have been delivered, as well as for delay in pick-up or delivery.

If for any reason outside the control of the freight forwarder it is or becomes impossible for the freight forwarder to carry out the contract in accordance with the terms agreed, or where circumstances prevent the freight forwarder from making delivery of the goods after their arrival at the place designated for delivery, then the freight forwarder has a liability for the goods in accordance with § 6, section 1, unless other agreement is entered into with the customer.

§ 16

There is no liability if loss, depreciation, damage or delay is caused by:

- a) fault or neglect of the customer;
- b) handling, loading, stowage, securing or unloading of the goods by the customer or anyone acting on his behalf;
- c) the inherent nature of the goods to be easily damaged, i.e. by breakage, leakage, spontaneous combustion, rotting, rust, fermentation, evaporation or being susceptible to cold, heat or moisture;
- d) lack of or insufficient packing;
- e) faulty or insufficient address or marking of the goods;
- f) faulty or insufficient information about the goods;
- g) the use of open transport equipment, where this is usual or has been agreed;
- h) circumstances which the freight forwarder could not avoid and the consequences of which he was unable to prevent.

Unless specifically agreed, the freight forwarder is not liable for money, securities and other valuables.

§ 17

Compensation for loss or depreciation of goods shall be calculated on the basis of their invoice value, unless it is proved that their market value, or the current value of goods of the same kind and nature at the time and place the freight forwarder took over the goods was different from the invoice value taking into account that the customer must demonstrate that there is no residual value of the goods. Compensation will not be paid for antique value, sentimental value or other special value.

Freight charges, customs charges and other outlays connected with the transport of the goods lost will also be compensated. Apart from that, the freight forwarder is not obliged to pay any compensation, i.e. for loss of profit, loss of market or other loss of any kind whatsoever.

§ 18

Compensation for damaged goods shall be paid to an amount equivalent to the extent of depreciation in value. The amount is arrived at by using the percentage of depreciation in value consequent upon damage to the goods, in relation to the value of the goods, as laid down in § 17, section 1. Expenses referred to in § 17, section 2, first sentence, will also be paid to the same extent, but apart from this, the freight forwarder is not obliged to pay any further compensation.

APPENDIX 3

General Conditions of the Nordic Association of Freight Forwarders, page 3

§ 19

Delay

- A. If the goods are picked up, carried or delivered too late under § 7, section 1, the freight forwarder shall compensate the customer for such direct and reasonable expenses as could have been foreseen as a probable consequence of the delay at the time of the conclusion of the contract, although with an amount not exceeding a sum equivalent to the freight or other compensation agreed upon in the contract.
- B. When a time guarantee has been agreed, according to § 7, section 2, and the agreed time of transport has been exceeded, the freight forwarder shall, unless otherwise agreed, credit the customer for the freight or any other compensation agreed upon for the transport. This does not apply if the delay was caused by circumstances beyond the freight forwarder's own control, except that with regard to carriage of goods by road within Europe the freight forwarder is liable also for circumstances within the control of persons engaged by him for the performance of the contract. The customer shall be considered to have suffered a loss equivalent to the amount of the freight, as long as it cannot be shown that the amount of the loss is less. In the latter case only the amount equivalent to the loss shall be credited.

§ 20

Delay and total loss

- A. The customer has the right to compensation as if the goods had been lost if no delivery has been made
- with regard to international road transports, within 30 days after the expiry of the agreed period of time, or, if no particular period of time has been agreed upon, within 60 days from the moment the goods were accepted for transport
 - for other modes of transport, within 60 days from the time when the goods should have arrived.
- The customer has no right to compensation as if for total loss if the freight forwarder can prove within the above mentioned time limits that the goods have not been lost and that they can be delivered within a reasonable period of time.
- B. In case of cross-labelling or delivery to wrong destination, the freight forwarder shall use his best reasonable efforts to transport the cargo to its original destination using same or similar means of transportation as originally agreed upon or used by the freight forwarder. If the freight forwarder fails for reasons within the freight forwarder's control to redeliver the goods to the agreed destination, the freight forwarder shall compensate the customer with the full value in accordance with §§ 17 and 18 of the goods at the time and place of the destination originally agreed upon, but shall be under no further liability or bear any further costs related to the goods regardless of the circumstances.

§ 21

- A. For loss, depreciation of or damage to goods the freight forwarder's liability is limited to SDR 8.33 per kg (gross) of the part of the goods which has been lost, depreciated or damaged.
- B. For delay in pick up, carriage or delivery the freight forwarder's liability is limited to the amount of the freight.
- C. For all other loss the freight forwarder's liability is limited to SDR 100,000 in respect of each assignment.
- D. If a declaration of a special interest in delivery has been agreed upon, compensation for the additional loss or damage proved may be claimed, up to the total amount of the interest declared, independently of the compensation provided for in sections A-C above.
- E. In calculating the extent of compensation for loss, depreciation, damage and delay, and all other loss, the principles of §§ 17-20, shall apply correspondingly. The freight forwarder is not obliged to pay any compensation i.e. for loss of profit, loss of market or other loss of any kind whatsoever.

THE FREIGHT FORWARDER'S LIABILITY AS INTERMEDIARY

§ 22

The freight forwarder is liable for damage resulting from his lack of due diligence in the performance of the contract. The freight forwarder is not liable for acts or omissions of third parties in performing the transport, loading, unloading, delivery, clearance, storage, collection or other services rendered by the freight forwarder. When assessing whether the freight forwarder has acted with due diligence it shall be taken into consideration what the freight forwarder knew or should have known regarding the third party as well as which information was given by the customer regarding the character of the task as well as other information with relevance to the selection of a suitable third party.

Unless specifically agreed, the freight forwarder is not liable for money, securities and other valuables.

§ 23

In calculating the extent of compensation for loss, depreciation, damage and delay, and all other loss, the principles of §§ 17-21, shall apply correspondingly.

§ 24

The freight forwarder's liability for services mentioned in § 3 C is limited to SDR 50,000 in respect of each assignment, and totally in the event of any one occurrence SDR 500,000.

However, in any event compensation shall not exceed:

- a) for delay a sum equivalent to the agreed payment in relation to the individual assignment,
- b) for loss, depreciation of or damage to goods, SDR 8.33 per kg (gross) of the part of the goods which has been lost, depreciated or damaged,
- c) for all other loss five (5) times the agreed payment in relation to the assignment.

STORAGE

§ 25

A. Responsibility for tasks performed by the freight forwarder as contracting party, cf. § 3 B:

Unless otherwise instructed in writing by the customer, the freight forwarder shall take out insurance for the risks of fire, water and burglary in his own name and for account of the customer based upon the invoice value at the time of storage + 10 %. Unless the customer has informed the freight forwarder of the value of the goods, the freight forwarder may assess the value. The customer bears the risk of errors in such assessment of the freight forwarder.

For loss, depreciation of or damage to the goods not covered by insurance in accordance with the above, or when no insurance has been taken out by the freight forwarder, the freight forwarder is liable for negligent acts or omissions with the determination and limitation of liability specified in §§ 17-18 and 21.

The freight forwarder's liability in relation to all customers is limited to SDR 500,000 with regard to damages occurring on one and the same occasion. The freight forwarder is liable for delay according to §§ 19 - 20 and 21 B.

B. Furthermore, the following applies:

1. The freight forwarder shall check and issue receipts for whole packages of goods received, without any liability, however, for the content of the packages and invisible damage. At the request of the customer the freight forwarder shall make an inventory of the stock.

The freight forwarder shall, upon opening the packages, immediately notify the customer of any defect or damage that he has observed or should have observed.

2. If the customer has not left any special instructions with regard to the storage of the goods, the freight forwarder may freely choose between various storage possibilities, provided that he exercises due diligence in so doing.
3. If goods in store, by reason of their nature, are deemed to be a danger to property or persons, the customer has a duty to remove the goods immediately.
4. The customer shall inform the freight forwarder at the latest at the time of delivery of the address to which notice concerning the goods shall be sent and at which instructions shall be received, and inform the freight forwarder immediately of any changes thereof.

C. This provision does not apply for any storage of goods cf. § 15, section 2.

THE CUSTOMER'S LIABILITY

§ 26

The customer shall indemnify and hold the freight forwarder free and harmless for damage, loss or liability incurred by the freight forwarder owing to the fact that:

- a) the particulars concerning the goods, information and documents relating to the assignment are incorrect, unclear or incomplete,
- b) the goods are incorrectly packed, marked or declared, or incorrectly loaded, stowed or secured by the customer or another party acting on his behalf,
- c) the goods have such harmful properties as could not have reasonably been foreseen by the freight forwarder,
- d) the freight forwarder is obliged to pay customs duty or other official fees or provide a security, unless such obligation is caused by the freight forwarder's negligence,
- e) the goods are illegal, defective, deficient or noncompliant with applicable rules or regulations, are suspected of being or is shown to be in violation of intellectual or industrial property rights of a third party, or the necessary official permits are not in place for the import, export, handling, storage or transport of the goods,
- f) the freight forwarder suffers a direct financial loss, fines or penalties, incurs administrative charges, incurs loss or damage related to the freight forwarder's authorizations or licenses.

In assessing the customer's responsibility in accordance with a) and b) regard shall be made to whether the freight forwarder, despite his knowledge of the circumstances, has accepted or failed to make an objection to the measures taken by the customer in respect of the goods.

Should the freight forwarder, in his capacity as charterer or shipper become liable in connection with carriage of the customer's goods by sea, to pay general average contribution to the shipowner or the carrier, or become exposed to claims from third parties for reasons stated above, the customer shall hold the freight forwarder harmless.

APPENDIX 4

General Conditions of the Nordic Association of Freight Forwarders, page 4

NOTICE OF CLAIM AND DISPUTES**NOTICE OF CLAIM**

§ 27

Notice of claim shall be given to the freight forwarder without undue delay.

In case of apparent loss, depreciation of or damage to the goods, notice shall be given immediately upon receipt of the goods, and in case of non-apparent loss, depreciation of or damage to the goods no later than seven (7) calendar days from the date of delivery.

If notice is not given as described above, the burden of proving that the loss, depreciation of or damage to the goods has occurred while the goods was in the custody of the freight forwarder rests on the customer.

Notice of claim concerning matters other than damage to, or depreciation or loss of the goods shall be given within fourteen (14) days from the day on which the customer knew or ought to have known about the circumstances forming the basis of the freight forwarder's liability. If such notice of claim has not been given, the customer has lost his right of claim.

If a certain mode of transport has been expressly agreed upon, or if it is proved that loss, depreciation, damage or delay has occurred whilst the goods were being carried by a particular means of transport, the law applicable to such mode of transport and commonly used conditions of carriage shall apply instead, to the extent that they deviate from what is laid down in this § 27.

TIME-BAR (DENMARK, FINLAND AND SWEDEN)

§ 28

Legal proceedings against the freight forwarder shall be commenced within a period of one (1) year; otherwise the right of claim will have become lost.

The time limit period runs:

- a) upon depreciation of or damage to goods from the day upon which the goods were delivered to the consignee,
- b) upon delay, loss of the whole consignment or other kind of loss from the time at which the delay, total loss or other loss could at the earliest have been noticed,
- c) in all other cases from the time at which the cause on which the claim is based could at the earliest have been noticed.

This time-bar shall apply when the freight forwarder's principal place of business is located in Denmark, Finland or Sweden.

If a certain mode of transport has been expressly agreed upon, or if it is proved that loss, depreciation, damage or delay has occurred whilst the goods were being carried by a particular means of transport, the law applicable to such mode of transport and commonly used conditions of carriage shall apply instead, to the extent that they deviate from what is laid down in this § 28.

DISPUTE RESOLUTION

§ 29

In the event of a dispute between the freight forwarder and the customer, the parties shall in the first instance attempt to find a solution through negotiation. If the parties are unable to reach a solution via negotiation, the dispute shall be decided in the general courts in the freight forwarder's principal place of business. Legal proceedings shall be subject to the law of the freight forwarder's principal place of business.

APPENDIX 5

Bill of Lading front page

Page 2

CODE NAME: "CONGENBILL", EDITION 1994

Shipper _____

BILL OF LADING

B/L No. _____

TO BE USED WITH CHARTER-PARTIES

Reference No. _____

Consignee _____

Notify address _____

Vessel _____ Port of loading _____

Port of discharge _____

Shipper's description of goods _____ Gross weight _____

(of which _____ on deck at Shipper's risk; the Carrier not being responsible for loss or damage howsoever arising)

Freight payable as per CHARTER-PARTY dated FREIGHT ADVANCE. Received on account of freight: Time used for loading days hours.	<p>SHIPPED at the Port of Loading in apparent good order and condition on board the Vessel for carriage to the Port of Discharge or so near thereto as she may safely get the goods specified above. Weight, measure, quality, quantity, condition, contents and value unknown. IN WITNESS whereof the Master or Agent of the said Vessel has signed the number of Bills of Lading indicated below all of this tenor and date, any one of which being accomplished the others shall be void. FOR CONDITIONS OF CARRIAGE SEE OVERLEAF</p>
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Freight payable at _____	Place and date of Issue _____
Number of original Bs/L _____	Signature _____

Printed and sold by
 Fr. G. Knudtzons Bogtrykkeri A/S, 81 Vallensbækvej,
 DK-2625 Vallensbæk, Telefax +45 4368 0304
 by authority of The Baltic and International Maritime Council
 (BIMCO), Copenhagen

APPENDIX 6

Bill of Lading back page with conditions of carriage

BILL OF LADING

Page 1

TO BE USED WITH CHARTER-PARTIES
 CODE NAME: "CONGENBILL"
 EDITION 1994
 ADOPTED BY
 THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)

Conditions of Carriage

(1) All terms and conditions, liberties and exceptions of the Charter Party, dated as overleaf, including the Law and Arbitration Clause, are herewith incorporated.

(2) General Paramount Clause.

(a) The Hague Rules contained in the International Convention for the Unification of certain rules relating to Bills of Lading, dated Brussels the 25th August 1924 as enacted in the country of shipment, shall apply to this Bill of Lading. When no such enactment is in force in the country of shipment, the corresponding legislation of the country of destination shall apply, but in respect of shipments to which no such enactments are compulsorily applicable, the terms of the said Convention shall apply.

(b) Trades where Hague-Visby Rules apply.

In trades where the International Brussels Convention 1924 as amended by the Protocol signed at Brussels on February 23rd 1968 – the Hague-Visby Rules – apply compulsorily, the provisions of the respective legislation shall apply to this Bill of Lading.

(c) The Carrier shall in no case be responsible for loss of or damage to the cargo, howsoever arising prior to loading into and after discharge from the Vessel or while the cargo is in the charge of another Carrier, nor in respect of deck cargo or live animals.

(3) General Average.

General Average shall be adjusted, stated and settled according to York-Antwerp Rules 1994, or any subsequent modification thereof, in London unless another place is agreed in the Charter Party. Cargo's contribution to General Average shall be paid to the Carrier even when such average is the result of a fault, neglect or error of the Master, Pilot or Crew. The Charterers, Shippers and Consignees expressly renounce the Belgian Commercial Code, Part II, Art. 148.

(4) New Jason Clause.

In the event of accident, danger, damage or disaster before or after the commencement of the voyage, resulting from any cause whatsoever, whether due to negligence or not, for which, or for the consequence of which, the Carrier is not responsible, by statute, contract or otherwise, the cargo, shippers, consignees or the owners of the cargo shall contribute with the Carrier in General Average to the payment of any sacrifices, losses or expenses of a General Average nature that may be made or incurred and shall pay salvage and special charges incurred in respect of the cargo. If a salving vessel is owned or operated by the Carrier, salvage shall be paid for as fully as if the said salving vessel or vessels belonged to strangers. Such deposit as the Carrier, or his agents, may deem sufficient to cover the estimated contribution of the goods and any salvage and special charges thereon shall, if required, be made by the cargo, shippers, consignees or owners of the goods to the Carrier before delivery.

(5) Both-to-Blame Collision Clause.

If the Vessel comes into collision with another vessel as a result of the negligence of the other vessel and any act, neglect or default of the Master, Mariner, Pilot or the servants of the Carrier in the navigation or in the management of the Vessel, the owners of the cargo carried hereunder will indemnify the Carrier against all loss or liability to the other or non-carrying vessel or her owners in so far as such loss or liability represents loss of, or damage to, or any claim whatsoever of the owners of said cargo, paid or payable by the other or non-carrying vessel or her owners to the owners of said cargo and set-off, recouped or recovered by the other or non-carrying vessel or her owners as part of their claim against the carrying Vessel or the Carrier.

The foregoing provisions shall also apply where the owners, operators or those in charge of any vessel or vessels or objects other than, or in addition to, the colliding vessels or objects are at fault in respect of a collision or contact.

For particulars of cargo, freight, destination, etc., see overleaf.

APPENDIX 7

CMR

KANSAINVÄLINEN RAHTIKIRJA INTERNATIONAL WAYBILL		CMR	
Lähtettäjä Consignor			
Vastaanottaja Consignee			
Toimitusosoite Delivery address	Rahdinkuljettaja (nimi,osoite,maa) Carrier (name,address,country)		
Lähtöpaikka Place of departure	Rahdinkuljettajan varaukset ja huomautukset Carrier's reserves and remarks		
Määräpaikka Final Destination			
Merkit ja numerot Marks and numbers	Kollien lukumäärä ja laatu sekä tavaralaji Number and kind of packages, description of goods	Bruttopaino (kg) Gross weight in kg	Tilavuus (m3) Volume in (m3)
		Rahdituspaino Chargeable weight	
Lähtettäjän allekirjoitus Consignor's signature	Kuljettajan / Terminaalin allekirjoitus Driver's / Terminal's signature	Vastaanottajan allekirjoitus Consignee's signature	
Päivä Date		Päivä Date	
Allekirjoitus ja leima Signature and stamp		Allekirjoitus ja leima Signature and stamp	