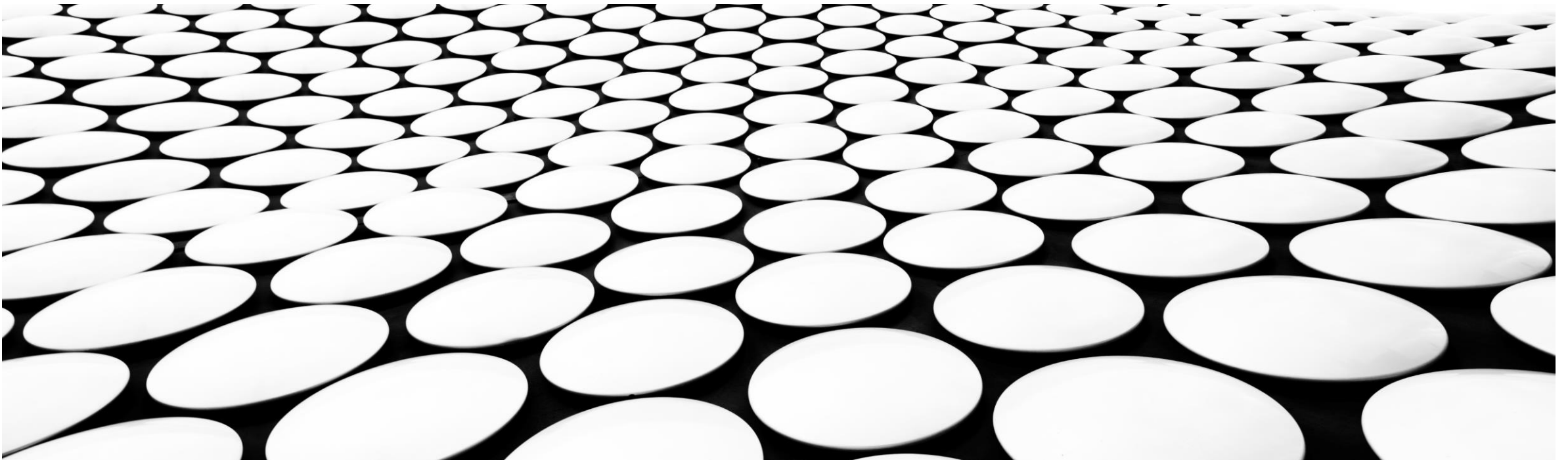


Multimodal Transportation Concept and Framework

Somsak Wisetruangrot – AFFA Logistics Institute Chairman



Definition and Concept of Modes of Transportation

Chapter One

What is Unimodal Transport

- **UNIMODAL TRANSPORT** is The Carriage of Goods by one single mode of Transport, namely Road, Rails, Sea, Inland Waterway, Air, Space for the entire route of transport.
- Unimodal Transport covers the entire transport including transshipment if the second leg of transport is the same mode but in the different means of transport, such as Sea transport using feeder and mother vessel. Air transport with transshipment at hub in other country than destination is defined as Unimodal Transport as well.

What is Intermodal Transport

- **Intermodal Transport** definition by OECD (Organisation for Economic Co-operation and Development)
- *“Movement of goods (in one and the same loading unit or a vehicle) by successive modes of transport without handling of the goods themselves when changing modes.”*

What is Intermodal Transport

- **Intermodal Transport** definition by ASEAN Training Material.
- *“The Carriage of Goods by MORE than TWO modes of transport without any handling of the freight when changing the modes through an intermodal transport chain with one single contract of carrier. In USA so called “Containerized Rail Transport”*

What is Intermodal Transport

- **Intermodal Transport** definition by EU Commission
Intermodality 1977

“ A characteristic of transport system that allows at least two different modes to be used in an integrated manner in a door-to-door chain”.

Intermodal Transport definition by European Conference of MTO
(ECMT)2003 (same as OECD)

“The movement of goods in one and the same load unit or vehicle by successive modes of transport without handling of the goods themselves when changing modes”.

What is Intermodal Transport

- **Concept of Intermodal Transport**
 - International Transport
 - At least two modes of transport
 - No handling the goods when changing modes
 - **Several Contracts of Carriage** (traditional concept)
 - Single Contract of Carriage but liability of carrier is based on each leg of transport at latter stage.

Intermodal Transport Advantage

- Increased ability to negotiate terms per stage or stretch of the route.
- Each supplier is responsible for its service.
- Possibility to choose carriers and take advantage of the best rates for each stage or stretch of the route.
- Fewer inspections because containers are sealed in advance.
- Because everything is loaded in the same container, the time it takes for loading and unloading is lower.
- Increased flexibility and special handling of loading and unloading in different ports.
- Cheaper insurance premiums.

Intermodal Transport Advantage

- Consistent Capacity and service such as Rail and truck
- Quality Service because choice of selection

Intermodal Transport Disadvantage

- Slower because cost reduction is prioritized.
- Less reliability because there are several suppliers answering for their own services.
- Tracking all the suppliers and coordinating solutions to delays with them.
- More expenditures due to the need to coordinate several contracts with different suppliers.
- The infrastructure that makes intermodal transportation easier for example, cranes for containers, is scarce and more expensive.
- Additional packaging costs to mitigate damage when moving merchandise

What is Combined Transport

- **Combined Transport** Definition by UNECE

“Combination of means of transport where one (passive) transport means is carried by another (active) means which provides traction and consumes energy”

For transport policy purposes the ECMT restricts the term combined transport to cover: "Intermodal transport where the major part of the European journey is by rail, inland waterways or sea and any initial and/or final leg carried out by road are as short as possible".

European Conference of Ministers of Transport (ECMT), United Nations Economic Commission for Europe (UNECE). 2003

What is Combined Transport

- Some refers Combined transport as a service in which the unit is transported between various transshipment points by rail, sea, or inland waterway; however, its delivery from the sender and transport to the recipient uses road transport.

What is Combined Transport

- **Combined Transport Concept**

- Combination of Modes of Transport
- At least two modes of transport
- Within Europe and beyond
- Single Contract of Carriage
- Single Operator
- Without handling of the goods

final leg carried out by road are as short as possible

Sample of back clause of Combined Transport Liability

Combined Transport: If the Carriage called for by this Bill of Lading is Combined Transport, the Carrier undertakes the performance and/or in its own name to procure performance of the Carriage from the Place of Receipt or the Port of Loading, whichever is applicable, to the Port of Discharge or the Place of Delivery, whichever is applicable, and, save as otherwise provided in this Bill of Lading, the Carrier shall be liable for loss or damage occurring during the Carriage, between the time when he receives the goods into his charge and the time of delivery.

Sample of Combined Transport in EU

- **PIGGYBACK**

Using concept of long haul /short haul (Rail/Road mode) which is popular in Europe. The goods are packed onto the trailer and the trailer is moved to rail flat car for final station, then truck will continue carry the goods to final destination

- **SWAP BODY**

It is one type of standard freight containers for road and rail transport.

Many swap bodies are fitted with four up-folding legs under their frame.[4] These legs make it possible to change, or swap, their body from one carriage to another, or to leave the swap body at a destination, without using extra equipment such as crane or hoist.

PIGGYBACK



SWAP BODY



Concept of Multimodal Transport

- **What is Multimodal Transport definition by UNESCAP**

“A transport system operated by One carrier with more than one mode of transport under the control or ownership of One Operator.”

Concept of Multimodal Transport

- **What is Multimodal Transport definition by UNCTAD (MT Convention 1980)**

“International multimodal transport’ means the carriage of goods by at least two different modes of transport on the basis of a multimodal transport contract from a place in one country at which the goods are taken in charge by the multimodal transport operator to a place designated for delivery situated in a different country”

Concept of Multimodal Transport

- What is Multimodal Transport definition by AFAMT

“International multimodal transport” means the carriage of goods by at least two different modes of transport on the basis of a multimodal transport contract from a place in one country at which the goods are taken in charge by the multimodal transport operator to a place designated for delivery situated in a different country. The operations of pick-up and delivery of goods carried out in the performance of a unimodal transport contract, as defined in such contract, shall not be considered as international multimodal transport.”

Concept of Multimodal Transport

- **Concept of Multimodal Transport in ASEAN and International Context:**

- 1. International Transport*
- 2. At least mode of transportation*
- 3. One Operator*
- 4. Single Transport Document and Contract of Carriage*

Common understanding of difference between “intermodal” and “multimodal”

*Single transport document
(multimodal contract)
covering the whole carriage
by several modes of
transport*

*“Multimodal
transport”*

*Goods remain in the same
transport unit (container or
road vehicle) during the
entire carriage by several
mode of transport*

*“Intermodal
transport”*

Advantage of Multimodal Transport

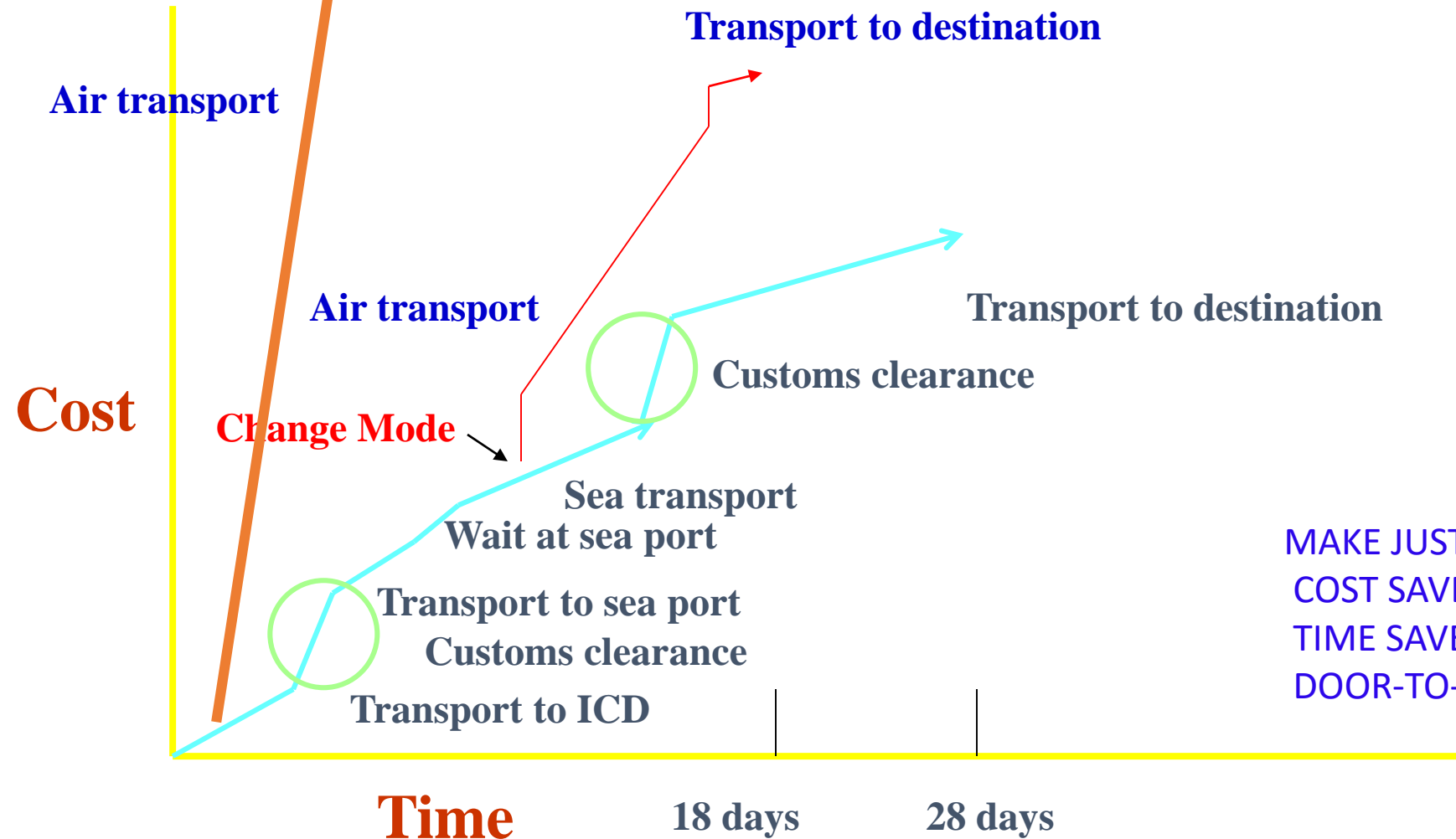
- Reduce Complication of Liability of Intermodal Transport
- Dealing with one operator for contract of carriage
- Fix the limitation of liability of operator
- One single contract of carriage for entire routes
- Door-to-Door Deliverable
- National Wealth as Hub of Transit

Advantage of Multimodal Transport

- Reduction in the costs and time for coordination and operation of logistics.
- Increased monitoring of shipments from stage to stage.
- There is only one company in charge of meeting the shipment deadline; therefore, there is better control on management and less risk of merchandise theft or loss while responsibility lies on just one entity.
- Scheduling routes, costs, staff, and logistics becomes easier.
- The FBL document has preference to enter and go through customs.

Advantage of Multimodal Transport

TIME & COST MODULE



MAKE JUST IN TIME
COST SAVE
TIME SAVE
DOOR-TO-DOOR DELIVERY

Disadvantage of Multimodal Transport

- The merchandise may encounter legal and operational limitations when international standards are applied.
- For safety reasons, inspections in terminals are frequent, which limits operations.

Multimodal Transport Operator

Chapter Two

Who is Multimodal Transport Operator

- Multimodal Transport Operator definition by MT Convention and AFAMT

*“Any person who on his own behalf or through another person acting on his behalf concludes a multimodal transport contract and **who acts as a principal**, not as an agent or on behalf of the consignor or of the carriers participating in the multimodal transport operations, and who assumes responsibility for the performance of the contract.”*

Multimodal Transport Operator

- **MULTIMODAL TRANSPORT OPERATOR:**
- Acts as Principal/Carrier who enters into the contract of carriage for the entire route of transport
- There are two types of MTO:
- **NVO-MTO:** a non vessel operating common carrier multimodal transport operator
- **VO-MTO :** a vessel operating common carrier multimodal transport operator

Multimodal Transport Operator

- **SUBCONTRACTOR OR AGENTS/PARTNERS OF MULTIMODAL TRANSPORT OPERATOR who is Principal:**
 - Transit Subcontractor or Agents/Branches who performs transit procedure on behalf of MTO Principal
 - Destination Subcontractor or Agent/Partner of MTO Principal who performs delivery at destination as Delivery Agent/break bulk Agent (including own branch offices)

Multimodal Transport Operator

Other related Services acting as MTO (or either Freight Forwarder)

1. Customs Broker including hiring truck for local delivery – **As Agent of Consignor or Consignee.**
2. International Forwarding by assisting Traders to deal with Common Carriers moving the goods internationally and invoice only his Service charge and Handling charges, not freight charges – **As Agent of Consignor or Consignee.**

Multimodal Transport Operator

Other related Services acting as FREIGHT FORWARDER

3. Transport Service Provider:

- Air Transport : become **Agent of Airlines**
- Sea Transport : becomes **principal or carrier** as NVOCC taking responsibility as Common Carrier for FCL shipment
- Truck Transport: international and Local service - **Agent or Principal**
- Rail Transport: International & (Local service) - **Principal**

Multimodal Transport Operator

Other related Services acting as FREIGHT FORWARDER

4. Auxiliary Services: Packing Service – **non Transport sector**

5. Cargo Consolidation:

- a) provides LCL consolidation services acting as Carrier
- b) performs Buyer Consolidation Service on behalf of Single Consignee

acts as either Agent or Principal

- c) perform on behalf of Shipper making consolidation for various consignees at destination, **acts as Principal or Agent**

Multimodal Transport Operator

- **Other related Services acting as FREIGHT FORWARDER**
6. Ship Broker/Chartering Broker – **acts as Agent**
 7. Tank / Container Operator - **acts as Principal**
 8. Project Cargo Transport Operator – **act as Principal or Agent**
 9. Removal Service – **act as Principal**
 10. Exhibition Service - **act as Principal**
 11. Dangerous Goods Transport Operator - **act as Principal**

Multimodal Transport Operator

- **Other related Services acting as FREIGHT FORWARDER**

12. Perishable & Live Animal Transport Service - **act as Principal**

13. Warehouse Service – **act as Principal or Agent**

- Common warehouse operator

- Distribution & Cross Dock Service - **act as Principal or Agent**

- Free zone and Bonded warehouse

- In house warehouse operation and management

14. Cold Chain and distribution service - **act as Principal or Agent**

Multimodal Transport Operator

- **Other related Services acting as FREIGHT FORWARDER**

15. Stevedoring Service – **acts as Principal or Agent**

16. Related Logistics Services such as VMI, Cross dock, In house Customer service, 3PLs, 4PLs, and Lead Manager – **act as Principal**

17. Last Mile Delivery - **act as Principal**

18. Courier Service - **act as Principal**

19. Business Consultant – **Free service**

20. Insurance Broker - **As Agent**

What is different between Principal and Agent

- **Multimodal Transport Operator as Principal** is the party who assumes responsibility for the performance of the contract of carriage commencing from the goods have been handed over to and accepted for carriage by him until delivery at the place of destination.
- Therefore, the responsibility of Principal is to carry the goods from origin point to destination point according to the contract of carriage.
- **MTO who acts as Principal is the party who issues the Transport Document.**

What is different between Principal and Agent

- **Principal responsibility** is cover to acts and omissions of his servants or agents, when any such servant or agent is acting within the scope of his employment, or of any other person of whose services he makes use for the performance of the contract,

What is different between Principal and Agent

Principal liability may be based on

- a) Sea Transport :such as Hague Rules 1924, Hague Visby Rules 1968, Hamburg Rules 1978, Domestic laws or Back Clause of the Bill of lading
- b) Air Transport: Warsaw Convention 1929, (Montreal Convention)
- c) International Road Transport: CMR 1956
- d) International Rail Transport: COTIF 1980
- e) Any local applicable laws and regulations or oversea applicable law and regulations including Tort.

What is different between Principal and Agent

Principal liability may be based on

f) Multimodal Transport : UNTAC/ICC Rules, AFAMT, national laws where applicable.

What is different between Principal and Agent

Principal Liability when performing Multimodal Transport

Principal is liable on *loss, damage and delay in delivery* of the goods after taken in charge until the time of delivery and/or any tort done by him or his agent, servant or other person of whose services he makes use for the performance of the contract,.

What is different between Principal and Agent

Agent in Multimodal Transport concept is the party who acts on behalf of either

- Consignor – as Customs broker or traditional Freight Forwarder
 - Consignee – as Customs broker or traditional Freight Forwarder
 - MTO Principal – as servant or subcontractor or Agent
- *If Agent signs bill of lading on behalf of MTO, shall he liable for the third party?* Please refer to MTO definition of AFAMT.

What is different between Principal and Agent

Agent liability may be based on

- **Consignor** – Tort / wrongful act, infringement of a right, error and omission when he acts as Agent for Consignor
- **Consignee** – Tort / wrongful act, infringement of a right, error and omission when he acts as Agent for Consignee
- **Principal** – Tort / wrongful act, infringement of a right, error and omission when he acts as Agent for MTO.
- Third Party – Tort or any applicable laws

What is different between Principal and Agent

Agent liability may be based on

- Consignor when Agent signs on MT Doc on behalf of MTO (Principal)
- Consignee when Agent delivers the goods on behalf of MTO (including Transit Agents who perform mode shift.)
- **AFAMT Article 24 para 2 Claim can be made against servant, agent or other person whose services the multimodal transport operator has used in order to perform the multimodal transport contract of MTO.**

What is different between Principal and Agent

Other persons who are involved with Multimodal Transport

Other person whose services the multimodal transport operator has used in order to perform the multimodal transport contract of MTO can be referred as **Airline, Shipping Line, MTO Agent** is the party that possibly the claim could be filed according to Article 24 para 2 in AFAMT.

Awareness of acting as Principal in other ASEAN member states

- According to AFAMT article 32 para 4b:

“In order for the multimodal transport operator registered in one Member Country to operate in other Member Countries, he shall submit a copy of the registration certificate duly issued by his competent national body to the competent national body of the other Member Country in which he has legal representation such as through agency agreement or branch office in the other Member Country in which he wishes to operate.”

What does it means?

Awareness of acting as Principal in other ASEAN member states

- It means to allow MTO registered in country A to be able to operate in another country, namely country B as a Principal. This provision opens the opportunity for the MTO (A) to not only appoint a legal representative in country B, which would operate as MTO (A)'s Agent, but mostly to establish a local branch office of MTO (A) in country B, which could operate as a Multimodal Transport Operator in country B acting as Principal by using branch office as Agent.
- **FIATA B/L could not be used under this provision** because only whose name appears in the Bill of Lading is to sign as "Carrier"

Awareness of acting as Principal in other ASEAN member states

- To elaborate this:

MTO A if appoints MTO B who is not his branch office but only as Agent, MTO B will submit MTO A copy of MTO registered certificate to CNB and register MTO A in country B as Multimodal transport operator who will act as Principal.

To operate Multimodal Transport in country B, MTO A has to hire MTO B as Agent and perform contract of carriage on his behalf.

Therefore, to sign on B/L, MTO B will sign as Agent of the Carrier and MTO A is Principal.

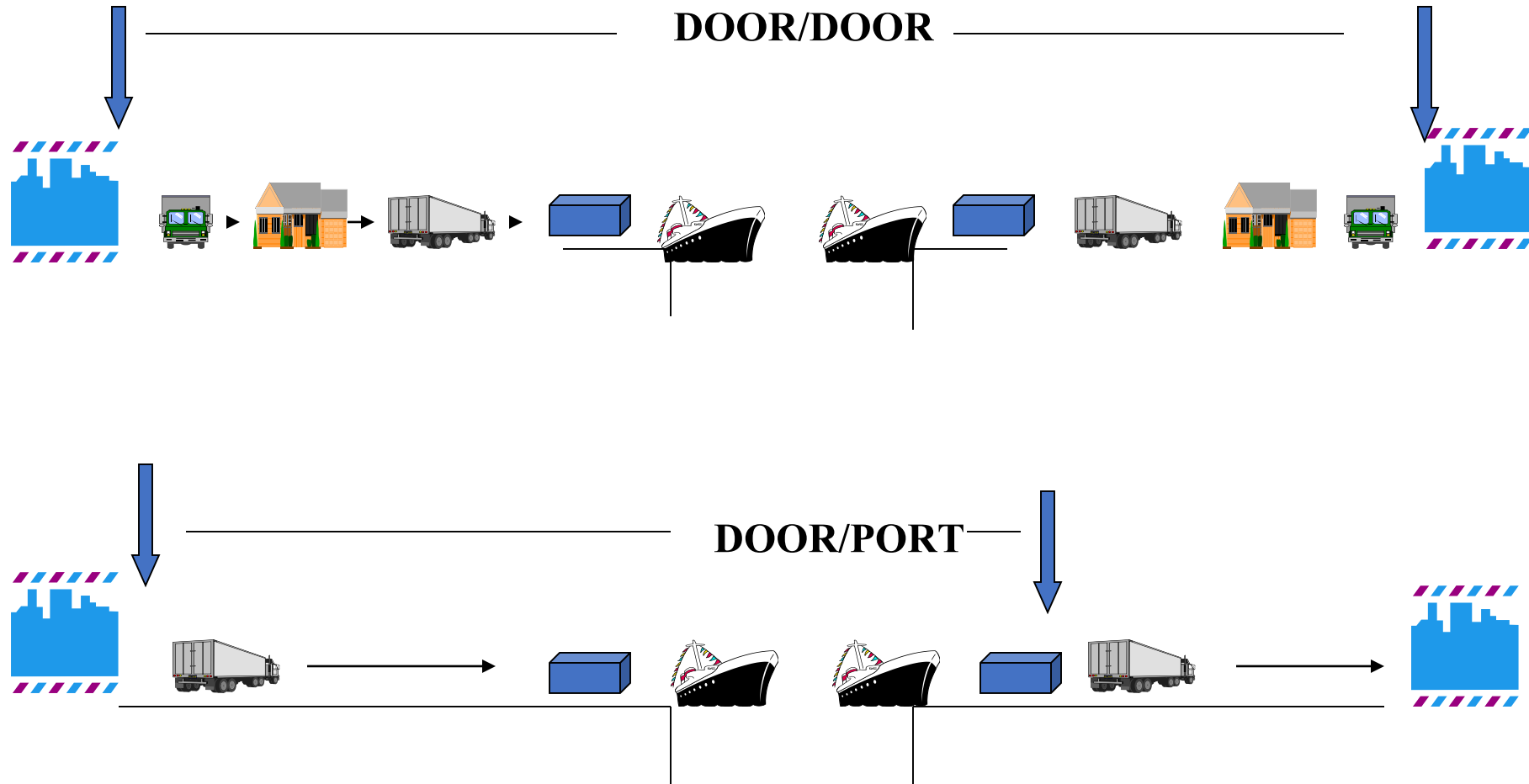
Operationalisation of Multimodal Transport

Chapter Three

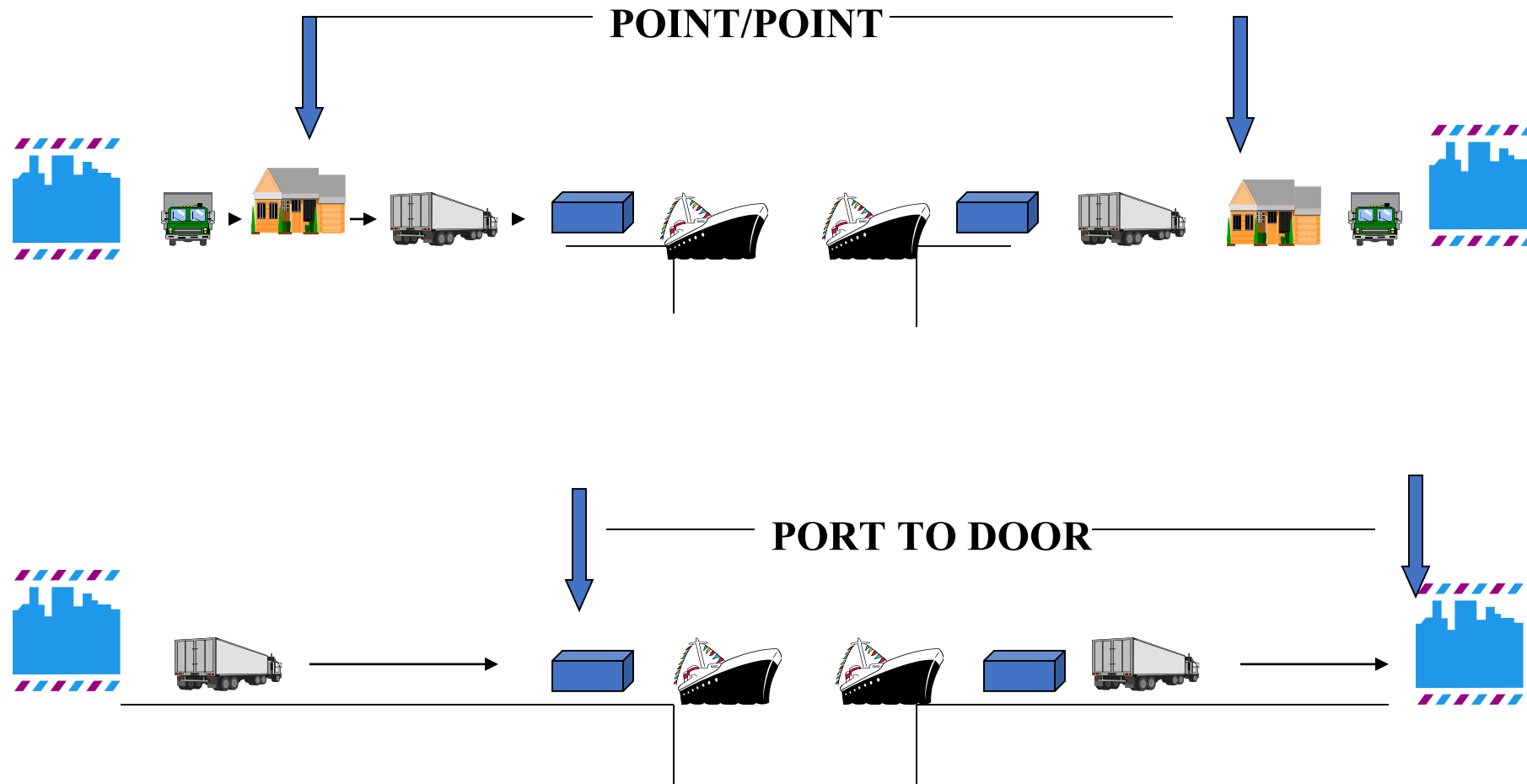
Multimodal Transport Corridors

- Multimodal Transport Corridor can be referred as
 - A) Single Corridor
 - B) Multiple Corridors

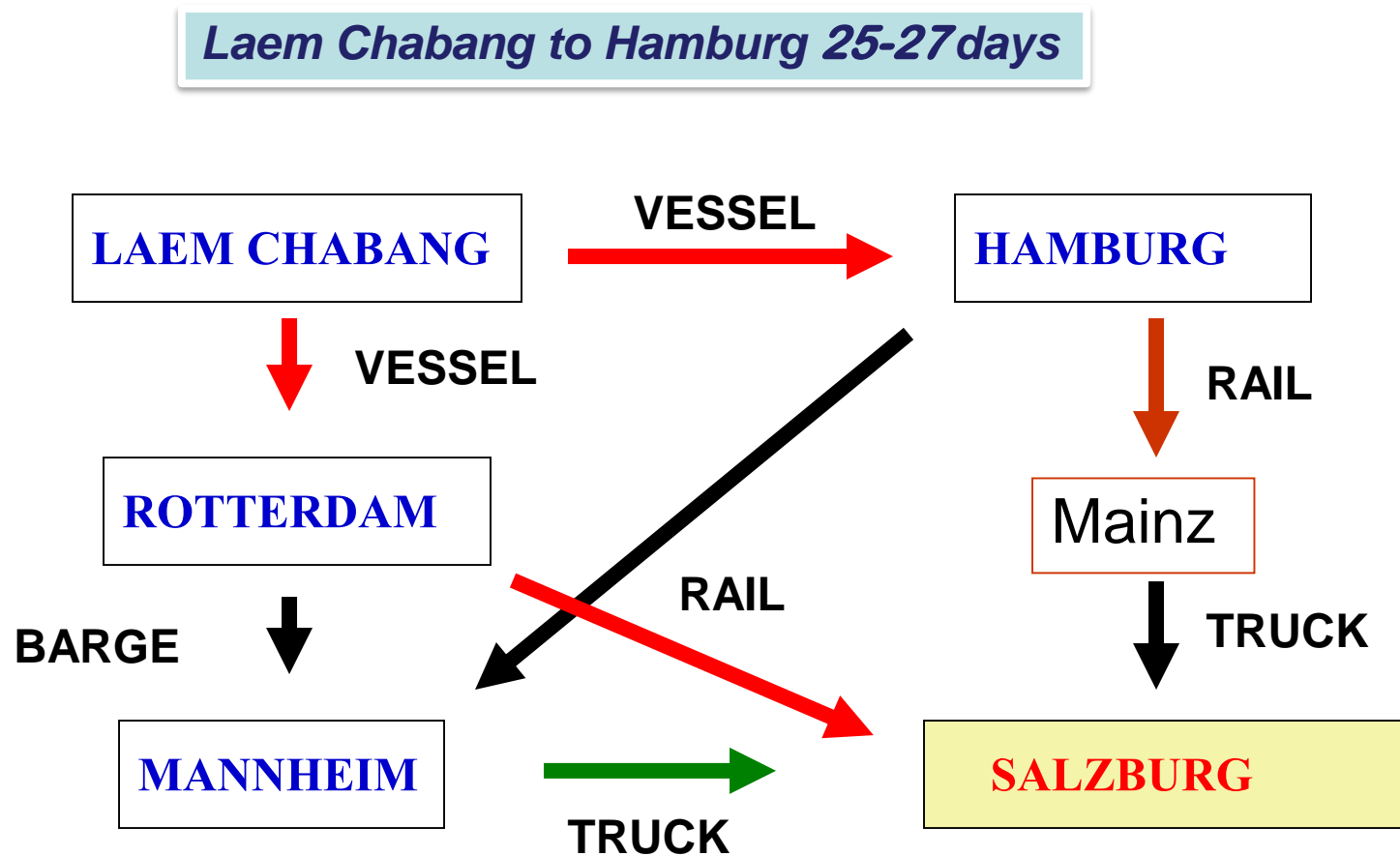
Multimodal Transport Single Corridor



Multimodal Transport Single Corridor



Multimodal Transport Multiple Corridors



Laem Chabang to Rotterdam 21-25 days

Somsak Wisetruangrot Copy Right 2020

Hub of Multiple Corridors

Hub of Multiple Corridors is referred as the place where the mode of transport is changed to move forward the goods to next destination.

Some may refer as “Transshipment Hub” in Forwarder World.

However, in fact Transshipment refers as the Customs procedure under which goods are transferred under Customs control from the importing means of transport to the exporting means of transport within the area of one Customs office which **is the office of both importation and exportation.**

Source Kyoto Convention Specific Annex E

Major Hub of Multiple Corridors

- **South East Asia**

Singapore is not only hub for maritime transport but it is multimodal transport hub as well.

For example:

- a) The meat from New Zealand is shipped by sea and connect with air transport to EU. This is the collaboration between PSA and SATS
- b) The Garment from Cambodia is shipped by sea and connected by air transport to USA.
- c) Singapore also could serve as hub for South Africa which those shipment may come from ASEAN.

Major Hub of Multiple Corridors

- **South East Asia**

Malaysia is a hub for Brunei using both Unimodal Transport and Multimodal Transport as well as the gateway of Halal food to Middle East.

Major Hub of Multiple Corridors

- **South East Asia**

Thailand is a hub for

Lao PDR on road-sea mode and few in road-air mode.

Cambodia on road-air mode

Myanmar on road-sea and road-air mode

To/from USA, EU, Japan

Major Hub of Multiple Corridors

- South East Asia

Vietnam is a hub for Lao PDR to access sea transport. However, most of shipment is intermodal transport rather than multimodal transport.

Major Hub of Multiple Corridors

- **Far East Asia**

Hong Kong is major hub for China for the shipment to and from any parts of the world.

Chengdu new Corridor – to/from Europe by Rail

Case Study “New Silk Road”

- Fiat engines have been loaded into containers at Foggia factory and dray the containers to Nuremberg.
- These containers are transferred to DHL train that first reached the Polish terminal Mataszewicze, which is directly on the external EU border to Belarus, using western corridor via Kazakhstan up to the west Chinese city of Chengdu and convey to the port in China for sea transport to final destination in Yokohama Japan.
- Sea Transport takes 60-65 days.
- Total transit time 35 days.

Major Hub of Multiple Corridors

- **Middle East**

Dubai in UAE is major hub for Europe for the shipments from South East Asia which are shipped by sea and connect to air transport.

Bandar Abbas in IRAN is major hub for CIS countries. (Commonwealth of Independent States – 12 States)

Major Hub of Multiple Corridors

- **AFRICA**

- **Mombasa in Kenya as gateway for the East African Coast and**
- **Nairobi as the hub of East and Central Africa**
- **Cape town and Durban in South Africa is traditional hub for Africa**

- **WEST AFRICA**

- **Lome in Togo, Accra in Ghana is the hub for West Africa**

Major Hub of Multiple Corridors

- **USA**

Miami is major hub for South America for the shipment from Europe or Asia under sea-land-sea mode. The Gateway of this corridor is Los Angeles or Long Beach

Major Hub of Multiple Corridors

- Europe

All major sea ports in Europe is the gateway and hub to connect with road, rail and inland waterways transport to EU, especially East Block.

Schiphol Airport in Amsterdam and Frankfurt Airport in Germany are the major hub for Multimodal transport in EU.

Major Hub of Multiple Corridors

- **South America**
- **Airport Gateway : Sao Paulo in Brazil, El Dorado in Colombia,**

Top 5 sea ports in South America

Santos, Brazil

Colon, Panama

Balboa Panama

Cartagena, Colombia

Manzanillo, Mexico

Factors to determine before operating Multimodal Transport Operation

Factors to determined before performing Multimodal Transport Operation

Registration of MTO

In ASEAN context, MTO is required to make registration with competent national body:

- MTO shall possess the legal capacity as required by the provision where he applies and MTO shall have domicile where he applies
- MTO shall have an insurance policy or P&I club or alternative financial character
- MTO shall have an insurance policy, a coverage from a protection and indemnity club, or an alternative of a financial character to cover payment of obligations for loss, damage or delay in delivery of goods under multimodal transport contracts, as well as contractual risks; and
- MTO shall maintain minimum assets equivalent to 80,000 SDR or provide an equivalent guarantee.

Factors to determined before performing Multimodal Transport Operation

Registration of MTO

Note:

In AFAMT the qualification to be registered as MTO did not mention registered Capital but merely indicate **minimum assets** equivalent to 80,000 SDR or provide an equivalent guarantee. Vietnam laws mention “**Possessing a business registration certificate which covers the international multimodal transport business line**” whist Thailand laws requires minimum registered Capital to 80, 000 SDR.

Therefore, Vietnam company who has less registered capital could refer to their Assets available at the time of registration.

Factors to determined before performing Multimodal Transport Operation

Type of Multimodal Transport Operator in ASEAN Context

1. Local Registered Company within ASEAN Member States territory
2. Foreign Registered Company of whose countries that have agreement under AFAMT , who wish to operate in other ASEAN Member States
3. Other Foreign Registered Company beyond ASEAN Agreement (**this is not in AFAMT but appear in Thailand Laws.**)

Factors to determined before performing Multimodal Transport Operation

Form of Multimodal Transport Documents

- House Multimodal Transport Bill of Lading
- FIATA Multimodal Transport Document
- Sea Waybill
- Air Waybill
- e- Bill of Lading
- Memo Bill of Lading for cross trade shipment.
- **Some ASEAN Member States requires registration of transport documents such as Vietnam, not in Thailand**

Factors to determined before performing Multimodal Transport Operation

Content of Particulars in Transport Document

- Note: Article 5 para 2 of AFAMT: The absence from the multimodal transport document of one or more of the particulars referred to in paragraph 1 of this Article shall not affect **the legal character** of the document as a multimodal transport document.

Factors to determined before performing Multimodal Transport Operation

Content of Particulars in Transport Document

For example:

- a) Intended journey route, modes of transport and places of transshipment if known
- b) Freight of Each mode of transport including currency, if expressly agreed between the parties including the extent payable by consignee
- c) Date or Period of delivery at the place of delivery if expressly agreed upon between the parties

How about Consignee name??

Factors to determined before performing Multimodal Transport Operation

Planning and design Transportation Route

- **Nature of the Goods**

The nature of the goods is related to: which type of transport modes and means are suitable for such transportation of such goods.

Bulk, Container, RO/RO, Project Cargoes, Dangerous Goods

คุณเชื่อหรือไม่?...ว่าประเทศไทยส่งออกตึกด้วย
***นี่คือตึกที่สูง12ชั้น ที่ส่งออกทางเรือไปญี่ปุ่น
...ญี่ปุ่นสั่งสร้างตึกในไทย เนื่องจากต้นทุนในการก่อสร้างถูกกว่ามาก
โดยเฉพาะต้นทุนค่าแรง เมื่อสร้างเสร็จก็ลำเลียงลงเรือ...เรียกว่า
บรรทุกไปทั้งตึก... แล้วก็ไปลำเลียงขึ้นฝั่งที่ทำเรือของญี่ปุ่นอีกครั้งหนึ่ง
...ขอบคุณภาพจากพีนิพันธ์์ เสมสันหัตจากบริษัท ไทยสตาร์ชัวร์ตี้..ซึ่ง
เป็นบริษัท โบรกเกอร์ประกันภัยที่ดูแลเรื่องประกันความเสี่ยงต่างๆ
ตั้งแต่ขั้นตอนก่อสร้าง จนกระทั่งการขนส่งไปญี่ปุ่น
....นี่คือเรื่องหนึ่งของประเทศไทย ในตอนนี้ ที่เป็นฝีมือของคนไทย
ล้วนๆ....

โดย :สิทธิ บ้านไทยแลนด์



Factors to determined before performing Multimodal Transport Operation

Planning and designing Transportation Route

Transport geography

It refers to the possibility to transport the goods on such route from origin to destination via available transit points.

It is actually the Selection of the modes of Transport and routes.

Hub or Connecting Point

Along the designed corridors, where is the best hub to be used. Some time, it is not necessary to use Major Hub.

Factors to determined before performing Multimodal Transport Operation

Planning and design Transportation Route

Availability of Common Carrier in designated planning of transport routes

- Common Carrier is very import factor to consider when planning and designing for Transportation Route whether they are available in such planned routes.
- Such carriers are able to carry the goods according to the nature of the goods.
- Measures of Carrier rules that may not allow to do something with their equipment. For example DHL use SOC from EU to Japan

Factors to determined before performing Multimodal Transport Operation

Planning and design Transportation Route

- **Current Situation along the corridor**

MTO shall identify what is the current situation from origin to hub or connecting point and from connecting point to next connecting point and final destination.

Factors to determined before performing Multimodal Transport Operation

Planning and designing Transportation Route

Pain Point in wrongly selection of Hub – real life

- Normally, shipment ex Bangkok to Rotterdam transit time is 24 days.
- Back log of sea freight was two weeks, shipper has no choice but to call MTO to find solution that shipment should arrive within one month
- MTO decided to use Bangkok – Dubai by sea and connect from Dubai to Rotterdam by Air as the best route.

Factors to determined before performing Multimodal Transport Operation

Planning and designing Transportation Route

Pain Point in wrongly selection of Hub – real life

- After shipped out MTO found out that Dubai port was congested and containers were remained in port for two weeks whist the transit time from Bangkok to Dubai took already two weeks.
- Getting the goods out of the port, MTO in Dubai faced to back log of the airfreight another one week.
- Total Transit time is 5 weeks and two days.

Factors to determined before performing Multimodal Transport Operation

Planning and designing Transportation Route

Alternative Transport Corridors and Customer Needs

The best plan is to match with the customer needs and requirement and there should be flexible to have alternative corridors in the plan.

It is not necessary that major hub or gateway shall be used at all time.

Factors to determined before performing Multimodal Transport Operation

Planning and designing Transportation Route

Alternative Transport Corridors and Customer Needs

- CASE STUDY : Shipment ex Laem Chabang, Thailand to Kaiserslautern, Germany
- Laem Chabang – Rotterdam – Mannheim – Kaiserslautern
- Laem Chabang – Hamburg – Mannheim – Kaiserslautern
- Laem Chabang – Hamburg – Mainz – Kaiserslautern

Factors to determined before performing Multimodal Transport Operation

Planning and design Transportation Route

Infrastructure and Equipment at transit or connecting point

The availability of Free Zone, ICD including standard or special equipment is important based on nature of the goods, handling method, and ***customs formality at transit point.***

Factors to determined before performing Multimodal Transport Operation

Planning and design Transportation Route

- **Operation of Transit / Transshipment at Transit point**

The customs process of transit point is very important factor. It could create delay with full range of formality in some countries or even transit could not be made for example in Cambodia, there is no regulation for transit for the time being.

Factors to determined before performing Multimodal Transport Operation

Planning and design Transportation Route

- **Operation of Transit / Transshipment at Transit point**

In Singapore: Only registered as Forwarder, cargo agents can submit Transshipment permit application if the shipment is covered by Through B/L or Airwaybill in order to perform transit procedure.

In Thailand: If MTO are not licensed Transit Operator (must place Bank Guarantee with Customs) , such MTO must place Bank Guarantee to cover the Customs Debt before processing transit formality.

Factors to determined before performing Multimodal Transport Operation

Planning and design Transportation Route

- **Operation of Transit in within ASEAN**

ASEAN has full intension to implement 3 Framework agreements which facilitates the movement of the goods as follows:

1. ASEAN Framework Agreement on the facilitation of goods in transit (AFAFGIT) signed on 1998
2. ASEAN Framework Agreement on Multimodal Transport (AFAMT) signed on 2005
3. ASEAN Framework Agreement on the facilitation of Inter-State Transport (AFAFIST) signed on 2009

Factors to determined before performing Multimodal Transport Operation

Planning and design Transportation Route

- **Operation of Transit in within ASEAN**

What are the purpose of these Framework Agreements:

AFAFGIT

1. Each Contracting Party shall allow the use of means of transport registered in other Contracting Parties to provide transit transport services on its territory. 500 permits per contracting party was agreed.
2. All Contracting Party shall use ASEAN Customs Transit System for the purpose of exit, transit, entrance of customs procedure.

Factors to determined before performing Multimodal Transport Operation

Planning and design Transportation Route

- **Operation of Transit in within ASEAN**

What are the purpose of these Framework Agreements:

AFAFIST

1. Allowing transport operators duly established in one Contracting Party to undertake transport of goods into and/or from the territories of other Contracting Parties,
2. Granting the right to load and discharge goods destined for or coming from Contracting Parties.

Factors to determined before performing Multimodal Transport Operation

Planning and design Transportation Route

- **Operation of Transit in within ASEAN**

What are the purpose of these Framework Agreements:

AFAFMT

To facilitate and cover the transportation that beyond AFAFGIT and AFAFIST where in some sense, there is no land connection between countries.

Factors to determined before performing Multimodal Transport Operation

Planning and design Transportation Route

- ***Operation of Combination Transport system in ASEAN – CASE STUDY***

- a) Shipper at First Philippine Industrial Park wishes to send his goods to Dagon 2 in Yangon, Myanmar. He can use SEA/SEA mode transshipped at Singapore if he controls transportation but the shipment is FCA term.
- b) Consignee prefers to use Multimodal Transport via Singapore, Malaysia and Thailand to Myanmar due to some reasons such as customs procedure, transit time .

Factors to determined before performing Multimodal Transport Operation

Planning and design Transportation Route

- ***Operation of Combination Transport system in ASEAN – CASE STUDY***

c) Possible mode of transport is:

Feeder vessel from Manila South Port to Singapore

Truck from Singapore to Yangon

d) Players involve:

Myanmar MTO, Philippines MTO and Singapore MTO

In Transit Truck Operator

Factors to determined before performing Multimodal Transport Operation

Planning and design Transportation Route

- ***Operation of Combination Transport system in ASEAN – CASE STUDY***

MTO Philippines use Feeder vessel to Singapore and request his agent, MTO Singapore to handle trucking to Yangon.

MTO Singapore has no truck license of in transit transport under AFAFGIT and AFAFIST , then he has to hire Licensed Truck Operator.

MTO Philippines acts as Carrier for MT operation

MTO Singapore acts as subcontractor of MTO Philippines

Factors to determined before performing Multimodal Transport Operation

Planning and design Transportation Route

- ***Operation of Combination Transport system in ASEAN – CASE STUDY***

MTO Singapore enters into ACTS as Principal and responsible for customs debts along the transport corridor from Singapore-Malaysia-Thailand-Myanmar where his guarantors shall be located there.

Transit Transport Operator (Licensed Truck) is responsible to carry the goods along the corridors according to their Standard Trading Conditions or applicable international laws or local laws.

Factors to determined before performing Multimodal Transport Operation

Planning and design Transportation Route

- ***Operation of Combination Transport system in ASEAN – CASE STUDY***

MTO Philippines issue MT Document to Shipper and Shipper send such MT Document to Consignee.

MTO Myanmar acts as MTO Philippines 's Agent – Delivery Agent

Factors to determined before performing Multimodal Transport Operation

Planning and design Transportation Route

• *Operation of Combination Transport system in ASEAN – CASE STUDY*

Who is Who in this scenario:

MTO Philippines = Principal or Carrier on MT Document

MTO Singapore = Agent of MTO Philippines and Principal in ACTS

MTO Myanmar = Destination Agent of MTO Philippines

LICENSE TRUCK OPERATOR = COMMON CARRIER

MTO Myanmar deals with Consignee for the carriage but Shipper in Philippines is the party who concludes the contract of carriage with MTO Philippines.

Factors to determined before performing Multimodal Transport Operation

Planning and design Transportation Route

• *Operation of Combination Transport system in ASEAN – CASE STUDY*

Note:

1. If MTO Singapore wishes not to become Principal in ACTS, he may ask Licensed Truck Operator to act as Principal in ACTS , in case both parties agree so.
2. Cross border transport Operators can be divided in two types:
 - a) Licensed Truck Operator – owner of trucks
 - b) Principal which can be Licensed Truck Operator or MTO, forwarder or exporter, who enters into ACTS declaration.

Factors to determined before performing Multimodal Transport Operation

Planning and design Transportation Route

- *Operation of Combination Transport system in ASEAN – CASE STUDY*

Rule and Regulations of other Authorities beyond Customs

It is not just normal customs prohibit and/or restricted cargoes, there are also the regulations of other authorities concerned that some merchandises could not be entered into its territory and not allow for transit. MTO should aware of this regulations. This is applied to Dangerous Goods as well.

Factors to determined before performing Multimodal Transport Operation

Planning and design Transportation Route

- **Selection of Agents and Competitive Cost**
- Select Strongest Agents in the planned Corridors.

It is recommended to have Agents within the same group of network rather cross networking for a better communication during the journey of carriage.

ASEAN MTO might have a weak point on networking when compare with Multinational Company likes Big 4 as their offering to client might be lower by using Cost Center scheme than Profit Center scheme.

Factors to determined before performing Multimodal Transport Operation

Planning and design Transportation Route

- **Risk assessment**

Political today, Port Congestion, Strike, Riot, Back log of common carrier, unforeseen cost from special handling

Factors to determined before performing Multimodal Transport Operation

Planning and design Transportation Route

Total Cost Computing

Stuffing / Unstuffing charge and Loading / Unloading

Trucking charge/ Terminal Handling Charge

Customs Clearance Charge

Transportation of each leg

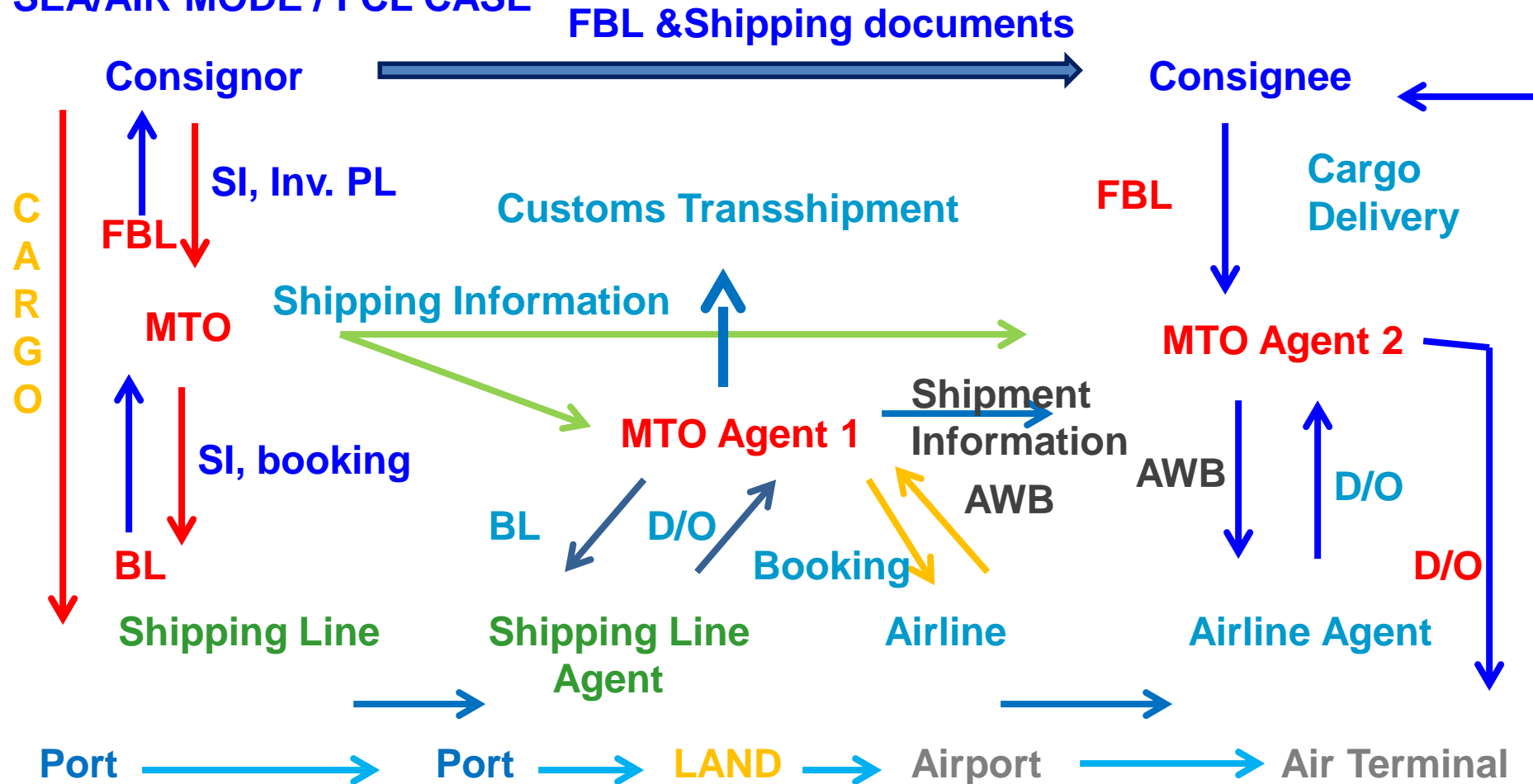
Duty & Tax (awareness of H.S.Code and declaration)

Other Transport Surcharges;

BAF, CAF, FAF, YAS, AMS, ENS, AFR, WAR risk, demurrage/detention etc.

Document fee, Agent handling charge, Special equipment hire.

SEA/AIR MODE / FCL CASE



Terms and Condition in Transport Document

Chapter Four

Function of Transport Documents

- Transport Document has following functions:
 1. Evidence of Contract - Contract of Carriage
 2. Document of title – negotiable
 3. Cargo receipt – taken in charge by the carrier
 4. Financial instruments – string sales

Contract of Carriage

Multimodal transport contract is the contract of carriage between
WHO and WHO?

In INCOTERM 2020 term EXW, FCA, FOB and FAS states that Buyer is the **party who enters into the contract of carriage**. The rest of terms is Seller.

It is the fact that Buyer will deal with MTO for the carriage and cost of transportation and is the party who pays the freight charge, nominating MTO as carrier to pick up the goods at Seller premise or nominated precise point of pick up the freight.

Contract of Carriage

Anyway, this is contrast with AFAMT and other rules.

AFAMT: "Consignor" means the person who concludes the multimodal transport contract with the multimodal transport operator.

FIATA: "Consignor" means the person who concludes the multimodal transport contract with the Carrier

UNCTAC/ICC Rules is same as AFAMT

Contract of Carriage

Who is consignee?

AFAMT: "Consignee " means the person entitled to receive the goods from the multimodal transport operator

FIATA: "Consignee" means the person entitled to receive the goods from the Carrier.

UNCTAC/ICC Rules is same as AFAMT "Consignee" means the person entitled to receive the goods from the multimodal transport operator.

Contract of Carriage

Hague-Visby Rules *Art. 3.4*

- Such a bill of lading shall be prima facie evidence of the receipt by the carrier of the goods as therein described in accordance with paragraph 3 (a), (b) and (c). However, proof to the contrary shall not be admissible when the bill of lading has been transferred to *a third party acting in good faith*.

Contract of Carriage

Explanation

Evidentiary effect of the information contained in the Multimodal Transport Document:

With respect to the responsibility for information in the MT document, the expression in art. 3.4 of the Hague-Visby Rules, "third party", shall not be used, since *the governing factor is whether or not the consignee has relied and acted upon the information and not his position as a "party" or "third party" in relation to the MTO*. In particular, such an expression may be misleading where the seller has handed over the goods to the carrier and the buyer under an FOB or an FCA contract has concluded the contract of carriage. In such a case, the FOB/FCA-buyer- although relying on the information in the MT document - could not be considered a "third party".

Contract of Carriage

- **Evidentiary effect of the information contained in the multimodal transport document (UNCTAC/ICC rules)**
- The information in the MT document shall be prima facie evidence of the taking in charge by the MTO of the goods as described by such information unless a contrary indication, such as “shipper’s weight, load and count”, “shipper-packed container” or similar expressions, has been made in the printed text or superimposed on the document. Proof to the contrary shall not be admissible when the MT document has been transferred, or the equivalent electronic data interchange message has been transmitted to and acknowledged **by the consignee** who in good faith has relied and acted thereon.

Applicability of FIATA MT Document

- FIATA MT Doc is applicable for unimodal transport - There is nothing state in AFAMT so.
- The Carrier shall be responsible for the acts and omissions of his servants or agents acting within the scope of their employment, or any other person of whose services he makes use for the performance of the contract evidenced by this BL, as if such acts and omissions were his own.

FIATA MT Document

- **Method and Route of Transportation**
- Without notice to the Merchant, the Carrier has the liberty to carry the goods on or under deck and to choose or substitute the means, route and procedure to be followed in the handling, stowage, storage and transportation of the goods
- **AFAMT:** only *The intended journey route, modes of transport and places of transshipment if known at the time the multimodal transport document is issued*

Consignor fails to inform MTO Dangerous Goods

- **AFAMT**

- a. consignor shall be liable to the multimodal transport operator for all loss resulting from the shipment of such goods.
- b. The goods may at any time be unloaded, destroyed or rendered innocuous, as the circumstances may require, without payment of compensation.

- **FIATA**

- The goods may at any place be unloaded, destroyed or rendered harmless, as circumstances may require, without compensation. The **Merchant shall indemnify the Carrier against all loss, damage, liability, or expense** arising out of their being taken in charge, or their carriage, or of any service incidental thereto.

Liability of MTO

MTO Liability - Basic Concept

FIATA Bill of lading is applicable to UNTAC/ICC Rules.

AFAMT: has several parts similar to UNTAC/ICC Rules.

Liability of MTO

MTO Liability - Basic Concept as example:

AFAMT: covers the period from the time the multimodal transport operator has taken the goods in his charge to the time of their delivery.

FIATA: The responsibility of the Carrier for the goods under these conditions covers the period from the time the Carrier has taken the goods in his charge to the time of their delivery.

UNCTAC/ICC Rules: The responsibility of the MTO for the goods under these Rules covers the period from the time the MTO has taken the goods in his charge to the time of their delivery.

Liability of MTO

MTO Liability - for his servants, agents and others persons.

AFAMT: The multimodal transport operator shall be responsible for the acts and omissions of his servants or agents, when any such servant or agent is acting within the scope of his employment, or of any other person of whose services he makes use for the performance of the contract, as if such acts and omissions were his own.

FIATA: Carrier shall be responsible for the acts and omissions of his servants or agents acting within the scope of their employment, or any other person of whose services he makes use for the performance of the contract evidenced by this BL, as if such acts and omissions were his own.

UNCTAC/ICC Rules: responsible for the acts and omissions of his servants or agents, when any such servant or agent is acting within the scope or his employment, or of any other person of whose services he makes use for the performance of the contract, as if such acts and omissions were his own.

Liability of MTO

MTO Liability - for loss, damage and delay in delivery

AFAFMT:

The multimodal transport operator shall be liable for loss resulting from loss of or damage to the goods, as well as loss resulting from delay in delivery, if the occurrence which caused the loss, damage or delay in delivery took place while the goods were in his charge, unless the multimodal transport operator proves that he, his servants or agents or any other person took all measures that could reasonably be required to avoid the occurrence and its consequences.

Liability of MTO

MTO Liability - for loss, damage and delay in delivery

AFAFMT:

The multimodal transport operator shall not be liable for loss following from delay in delivery unless the consignor has made a declaration of interest in timely delivery which has been accepted by the multimodal transport operator

Liability of MTO

MTO Liability - for loss, damage and delay in delivery

FIATA: Similar to AFAMT and in accordance to UNCTAC/ICC Rules

The Carrier shall be liable for loss of or damage to the goods as well as for delay in delivery if the occurrence which caused the loss, damage or delay in delivery took place while the goods were in his charge, unless the Carrier proves that no fault or neglect of his own, his servants or agents or any other person has caused or contributed to such loss, damage or delay. However, *the Carrier shall only be liable for loss following from delay in delivery if the Consignor has made a declaration of interest in timely delivery which has been accepted by the Carrier and stated in this BL*

Liability of MTO

Delay in Delivery

AFAMT: *Delay in delivery occurs when the goods have not been delivered within the time expressly agreed upon or, in the absence of such agreement, **within the time which it would be reasonable to require of a diligent multimodal transport operator**, having regard to the circumstances of the case.*

FIATA: *Arrival times are not guaranteed by the Carrier, however, delay in delivery occurs when the goods have not been delivered within the time expressly agreed upon or, in the absence of such agreement, **within the time which would be reasonable to require of a diligent Carrier**, having regard to the circumstances of the case.*

Liability of MTO

What is Delivery. AFAMT is similar to UNCTAD/ICC Rules:

"Deliver", "Delivered" or "Delivery" means

- a. The handing over of the goods to the consignee, or
- b. The placing of the goods at the disposal of the consignee in accordance with the multimodal transport contract or *with the law or usage of the particular trade applicable at the place of delivery*, or
- c. *The handing over of the goods to an authority or other third party* to whom, pursuant to the law or regulations applicable at the place of delivery, the goods must be handed over.

NOTE: non of this clause in FIATA Bill of Lading

Liability of MTO

Delivery of the goods: MTO ensure delivery of the goods

When MT document has been issued in a Non-Negotiable form, to the person named as Consignee in the document upon proof of his identity.

When no document has been issued, to a person as instructed by the consignor or by a person who has acquired the consignor or consignee's right under MT contract to give such instruction

Liability of MTO

Delivery of the goods: MTO ensure delivery of the goods

When MT document has been issued in negotiable Form to
‘Bearer’ to the person surrendering one original Document
‘to order’, to the person surrendering one original Document duly
endorsed.

“a named person” to that person upon proof of his identity and
surrender one original document.

Liability of MTO

Non Delivery within 90 Consecutive days: Treat the goods as lost.

AFAMT: If the goods have not been delivered within ninety consecutive days following the date of delivery determined in accordance with the preceding paragraph, any person entitled to claim the goods may, in the absence of evidence to the contrary, treat the goods as lost.

FIATA: If the goods have not been delivered within ninety consecutive days following such date of delivery as determined in Clause 6.3., the claimant may, in the absence of evidence to the contrary, treat the goods as lost.

Liability of MTO

Exclusion of Liability AFAMT vs. FIATA back clause

- a. force majeure (appear in Hague Visby Rules as Act of God and AFAMT)
- b. Act or neglect of the consignor, the consignee or his representative or agent;
- c. Insufficient or defective packaging, marking, or numbering of the goods;
- d. Handling, loading, unloading, stowage of the goods effected by the consignor, the consignee or his representative or agent;
- e. Inherent or latent defect in the goods;

Liability of MTO

Exclusion of Liability

- f. Strikes or lockouts or stoppage or restraint of labour from whatever cause, whether partial or general;
- g. With respect to goods carried by sea or inland waterways, when such loss, damage, or delay during such carriage has been caused by:
 - (i) act, neglect, or default of the master, mariner, pilot or the servant of the carrier in the navigation or in the management of ship, or
 - (ii) fire unless caused by the actual fault or privity of the carrier.

Who proves the circumstances

AFAMT

- MTO shall prove

All exclusions in AFAMT

FIATA

- Claimant shall prove
 - a) an act or omission of the Merchant,
 - b) insufficiency or defective condition of the packaging or marks and/or numbers;
 - c) handling, loading, stowage or unloading of the goods by the Merchant or any person acting on behalf of the Merchant;
 - d) inherent vice of the goods;
 - e) strike, lockout, stoppage or restraint of labour.
- *unseaworthiness of the ship, the MTO has to prove their due diligence*

Limitation of Liability

AFAMT and FIATA - loss or damage

- Unless the nature and value of the goods have been declared by the consignor before the goods have been taken in charge by the multimodal transport operator and inserted in the multimodal transport document, the multimodal transport operator shall in no event be or become liable for any loss or damage to the goods in an amount exceeding the equivalent of **666.67 SDR per package or unit** or **2.00 SDR per kilogram of gross weight** of the goods lost or damaged, whichever is the higher.

Limitation of Liability

AFAMT and FIATA - loss or damage

If the multimodal transport does not, according to the contract, include carriage of goods by sea or by inland waterways, the liability of the multimodal transport operator shall be limited to an amount not exceeding **8.33 SDR per kilogram of gross weight** of the goods lost or damaged.

FIATA apply US-COGSA limitation of liability shall not exceed US\$ 500 per package or, in the case of goods not shipped in packages, per customary freight unit. (*Paramount clauses*)

Limitation of Liability

AFAMT - Delay in Delivery

If the multimodal transport operator is liable in respect of loss following from delay in delivery, or consequential loss or damage other than loss of or damage to the goods, his liability shall be limited to an amount not exceeding the equivalent of the freight under the multimodal transport contract for the multimodal transport

FIATA

An amount not exceeding the equivalent of twice the freight under the multimodal contract

Limitation of Liability

Localized Damage in AFAMT and FIATA

When the loss of or damage to the goods occurred **during one particular stage** of the multimodal transport, in respect of which an applicable international convention or mandatory law would have provided another limit of liability *if a separate contract of carriage had been made for that particular stage of transport*, then the limit of the multimodal transport operator's liability for such loss or damage shall be determined by reference to the provisions of such convention or mandatory law.

Limitation of Liability

Assessment of compensation for Loss or damage AFAMT and UNCTAD/ICC rules

- 1. Assessment of compensation for loss of or damage to the goods shall be made by reference **to the value of such goods at the place and time they are delivered** to the consignee or at the place and time when, in accordance with the multimodal transport contract, they should have been so delivered.
- 2. The value of the goods shall be determined according to the current commodity exchange price or, if there is no such price, according to the **current market price**, or if there is no commodity exchange price or current market price, by reference to the **normal value of goods of the same kind and quality**

Loss of right to limit liability

AFAMT and FIATA + UNCTAD/ICC Rules

- The Carrier is not entitled to the benefit of the limitation of liability if it is proved that the loss, damage or delay in delivery resulted from a personal act or omission of the Carrier done with **the intent** to cause such loss, damage or delay, or recklessly and with knowledge that such loss, damage or delay would probably result.

FIATA MT Document only

Freight and Charge:

- Cash and not to be return in any event.
- Currency at Carrier's option and highest exchange rate
- Demurrage on equipment is for Merchant account if it is not due to a fault or neglect of the Carrier.
- *Cost of deviation or delay or any other increase of costs of whatever nature caused by War, Warlike operation, epidemics, strikes, government directions or force majeure.*

FIATA MT Document only – Inspection of the Carriers

- The Merchant warrants the correctness of the declaration of contents, insurance, weight, measurements or value of the goods but the Carrier has the liberty to have the contents inspected and the weight, measurements or value verified. If on such inspection it is found that *the declaration is not correct* it is agreed that *a sum equal either to five times the difference between the correct figure and the freight charged, or to double the correct freight less the freight charged, whichever sum is the smaller, shall be payable* as liquidated damages to the Carrier for his inspection costs and losses of freight on other goods, notwithstanding any other sum having been stated on this BL as freight payable

FIATA MT Document only

Freight Collect responsibility

Despite the acceptance by the Carrier of instructions to collect freight, charges or other expenses from any other person in respect of the transport under this BL, the *Merchant shall remain responsible* for such monies on receipt of evidence of demand and the absence of payment for whatever reason.

General Average

- **AFAMT**

- The provisions of this Agreement shall not prevent the application of the rules pertaining to general average adjustment contained in the multimodal transport contract or in the relevant national law, to the extent that they are applicable.

- **FIATA**

- The Merchant shall indemnify the Carrier in respect of any claims of a General Average nature which may be made on him and shall provide such security as may be required by the Carrier in this connection.

Applicable Laws

- **AFAMT**

- In judicial proceedings relating to international multimodal transport under this Agreement, the plaintiff, at his option, may institute an action in a court which, **according to the law of the country where the court is situated**

- **UNCTAD/ICC Rules - FIATA**

- These rules shall only take effect to the extent that they are not contrary to the **mandatory provisions of international conventions or national law applicable to MT contract.**

Applicable Laws

- **AFAMT**

- In judicial proceedings relating to international multimodal transport under this Agreement, the plaintiff, at his option, may institute an action in a court which, **according to the law of the country where the court is situated**

- **FIATA**

- Actions against the Carrier may be instituted only in the place where the Carrier has his place of business as stated on the reverse of this BL and shall be decided according to the law of **the country in which that place of business is situated.**

Insurance and Claim

Liability Insurance of MTO

AFAMT – Insurance is one of elements for registration of MTO

Registered MTO shall have an insurance policy, a coverage from a protection and indemnity club, or an alternative of a financial character to cover payment of obligations for loss, damage or delay in delivery of goods under multimodal transport contracts, as well as contractual risks.

The Coverage of Insurance Policy has not been fixed in AFAMT and it leaves to the national laws of ASEAN Member States.

Liability Insurance of MTO

AFAMT – do not indicate exact coverage amount

Vietnam: Have a liability insurance policy for multimodal transport operator or an equivalent guarantee.

Thailand:

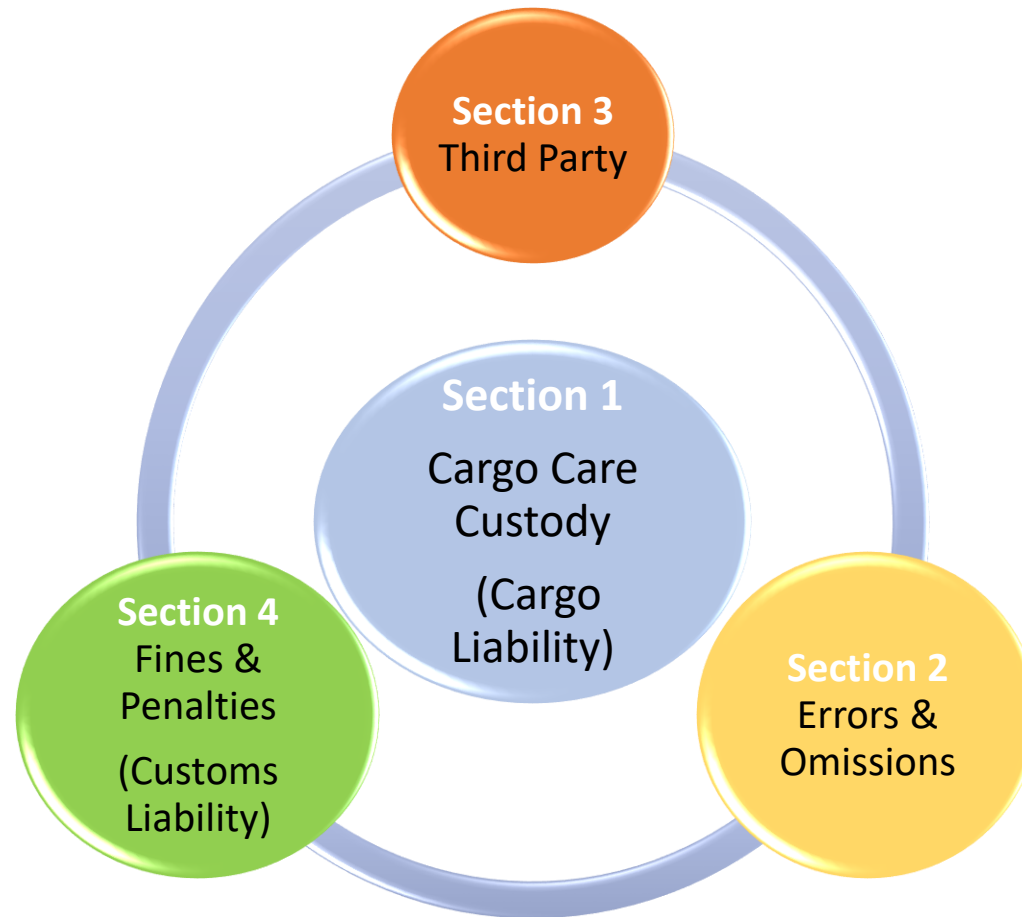
1. NVO-MTO – acts as Individual Principal 2 Million Baht
2. NVO-MTO – acts as Principal & Agent 3 Million Baht
3. NVO-MTO – acts as Principal & Agent under **Group Liability Insurance** 5 Million Baht

Transportation Specialist Legal Liability Insurance - Product Overview

- Freight Forwarder / NVOCC/ NAOCC
- Consolidator
- Customs Broker
- MTO



Freight Forwarders & Logistics Liability Insurance



Coverage under Policy

1.Cargo Liability/Bill of Lading Liability

Cover loss, damage, delay in delivery under issuance of FIATA Bill of Lading and acting as Agent for Overseas MTO including packing, international road transport and or storage that related to export

2.Errors&Omissions

Cover the delay in performing duty and failure so performed according to the contract, mis-declaration in documents, any failure transport performance under the contract or bill of lading.

3.Third Party Liability

Cover injury, death, loss in properties of the third party during the operation of insured.

4.Customs Liability

Cover fine, penalties of Customs, seize of the cargoes by competent authorities caused by unintentional act of insured provided for export / import in Thailand

TRANSPORTATION SPECIALIST LEGAL LIABILITY INSURANCE

Coverage option I (Maritime Transport)	Coverage option II (All mode)	Coverage option III (All mode)
<p>Insured Services :</p> <p>Operations – Customs broker, Freight forwarder, Consolidator, MTO, NVOCC</p> <p>Excluded Cargoes – Bulk, Flexitank, project cargo, tank</p> <p>Excluded Transportation by Air Freight</p>	<p>Insured Services :</p> <p>Operations – Customs broker, Freight forwarder, Consolidator, MTO, NVOCC and NAOCC</p> <p>Excluded Cargoes – Bulk, Flexitank, project cargo, tank</p> <p>Including Transportation by Air Freight</p>	<p>Insured Services :</p> <p>Operations – Customs broker, Freight forwarder, Consolidator, MTO, NVOCC and NAOCC</p> <p>Excluded Cargoes – Bulk, Flexitank, project cargo, tank</p> <p>Including Transportation by Air Freight Issuance a HB/L, Agent B/L as per Principle</p>
Supplementary Payment		
<p>Expenses for Completion of carriage arising from insolvency or financial default of the owners or operators of the vessel.</p> <p>The following expenses are collectively covered up to Baht 500,000 in the annual aggregate</p>		

Limitation of Liability under insurance policy OPTION I II &III

1.Cargo Liability/Bill of Lading Liability

10 Million Baht per event and annual aggregation

2.Errors&Omissions

2.5 Million Baht per event and annual aggregation

3.Third Party Liability

10 Million Baht per event and annual aggregation

4.Customs Liability

2.5 Million Baht per event and annual aggregation

Maximum limitation per member 20 Million Baht

Option I

Export

- Issue FIATA BL for export by Sea Transport to destination.
- Cross Boarder Transport by road vehicle using Truck waybill with FIATA back clauses excepts Local Transport (pure trucking)

Import

- Insured's Principals BL as Agent
- Import by international road transport connected to sea transport under FIATA Bill of Lading
- Non-cover import by road transport between neighboring country (only two countries as non documents are issued)
- Not cover Pure Trucking locally
- Not cover Stand Alone Customs Clearance



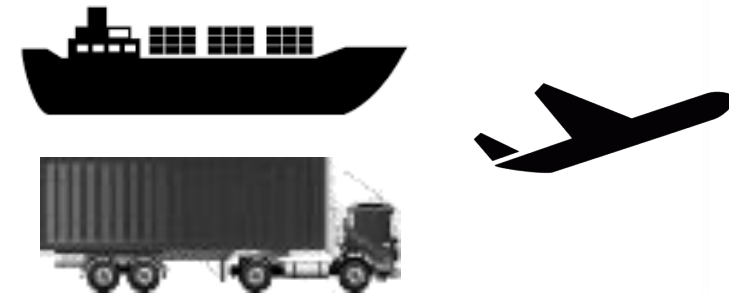
Option II

Export

- Issue FIATA BL for export by Sea Transport to destination.
- Cross Boarder Transport by road vehicle using Truck waybill with FIATA back clauses excepts Local Transport (pure trucking)
- House Air waybill for export under MTO Act.

Import

- Insured's Principals BL as Agent
- Not cover import by road transport between neighboring country (only two countries as non documents are issued)
- Not cover Pure Trucking locally
- Not cover Stand Along Customs Clearance
- Insured's Principal AWB under MTO Act



Option III

Export

- Issue FIATA BL for export by Sea Transport to destination.
- Cross Border Transport by road vehicle using Truck waybill with FIATA back clauses excepts Local Transport (pure trucking)
- House Air waybill for export under MTO Act.
- House BL / Agent BL for export under MTO Act.

Import

- Insured's Principals BL as Agent
- Non-cover import by road transport between neighboring country (only two countries as non documents are issued)
- Not cover import by road transport between neighboring country (only two countries as non documents are issued)
- Not cover Pure Trucking locally
- Import by Agent AWB ทาง Air under MTO act.
- Cover Stand Alone Custom Clearance



(Supplementary Payment)

Coverage at 500,000 Baht through validity of insurance policy

For following Cases:

1. No cargo receiver – additional/ extra cost incur
2. **Completion of Delivery**
3. Eliminate products remains after accident
4. Any expenses incur due to seize of products, hygienic issue caused by accident

Claim of Claimant

AFAMT and UNCTAD/ICC Rules

- Unless notice of loss of or damage to the goods, specifying the general nature of such loss or damage, is given in writing by the consignee to the multimodal transport operator when the goods were handed over to the consignee, such handing-over is *prima facie evidence of the delivery* by the multimodal transport operator of the goods as described in the multimodal transport document.
- Where the loss or damage is not apparent, the same prima facie effect shall apply if notice in writing is not given **within six consecutive days** after the day when the goods were handed over to the consignee.

Arbitration

AFAMT

- a. A place in a State within whose territory is situated;
 - (i) The principal place of business of the defendant or, in the absence thereof, the habitual residence of the defendant; or
 - (ii) The place where the multimodal transport contract was made, provided that the defendant has there a place of business, branch or agency through which the contract was made; or
 - (iii) The place of taking the goods in charge for the multimodal transport or the place of delivery: or
- b. Any other place designated for that purpose in the arbitration clause or agreement.

Time Bar

AFAMT

Unless otherwise expressly agreed, any action relating to multimodal transport under this Agreement shall be time-barred unless court or arbitration proceedings are instituted within a period of **nine months** after the delivery of the goods or, if they have not been delivered, after the date on which the goods should have been delivered or after the date on which, in accordance with the provisions of Article 11, paragraph 2, failure to deliver the goods would give the consignee the right to treat the goods as lost.

FIATA

The Carrier shall, unless otherwise expressly agreed, be discharged of all liability under these conditions

unless suit is brought within **9 months** after the delivery of the goods, or the date when the goods should have been delivered, or the date when in accordance with clause 6.4. (90 days) failure to deliver the goods would give the consignee the right to treat the goods as lost.

Judicial proceedings

AFAMT

- According to the law of the country where the court is situated:
- a. The principal place of business or, in the absence thereof, the habitual residence of the defendant; or
- b. The place where the multimodal transport contract was made, provided that the defendant has there a place of business, branch or agency through which the contract was made; or
- c. The place of taking the goods in charge for the multimodal transport or the place of delivery; or
- d. Any other place designated for that purpose in the multimodal transport contract and evidenced in the multimodal transport document

FIATA

- Actions against the Carrier may be instituted only in the place **where the Carrier has his place of business as stated on the reverse of this BL** and shall be decided according to the law of the country in which that place of business is situated.

- **UNCTAC/ICC Rules:**

These Rules shall only take effect to the extent that they are not contrary to the mandatory provisions of international conventions or national law applicable to the multimodal transport contract.

Filing the claim with Insurance Company

- It is depended on process of insurance company for MTO to file the claim against them.
- In normal practice, once MTO receives the claim, he should:
 - a) Checking what, when, where and how the event happened.
 - b) By who makes such event happening
 - c) Collecting information and consider whether he should pass the claim to insurance company

Filing the claim with Insurance Company

d) Determine his obligation if he shall be the party who has to responsible for such claim.

In many cases, the event may happen on

“Shipper’s load weight and counted”

Inherent or latent defect in the goods

MTO could response claimant by issuing reject claim letter.

e) Apparently, MTO should take responsibility, then pass the claim to insurance company.

ASEAN Framework Agreement of Multimodal Transport

- Chapter 1 – Definition
- Chapter 2 - Scope of Application
- Chapter 3 – Multimodal Transport Documents
- Chapter 4 – Liability of the Multimodal Transport Operator
- Chapter 5 – Limitation of Liability of the Multimodal Transport Operator
- Chapter 6 – Liability of the Consignor
- Chapter 7 – Notices, Claims, Actions, and Time-Bar
- Chapter 8 – Jurisdiction and Competence

ASEAN Framework Agreement of Multimodal Transport

- Chapter 9 – Multimodal Transport Operator
 - Chapter 10 – Miscellaneous Provisions
 - Chapter 11 – Final provisions
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- Chapter 1-9 actually look similar to MT law of ASEAN rather than agreement.

Questions and Answers

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