

June 3, 2016

SUBJECT: SOLAS Mandatory Reporting of Verified Gross Mass (VGM)

Dear Valued Customer,

As you may be aware, amendments to the Safety of Life at Sea Convention (SOLAS), to which 162 states including Canada are parties, **are coming into effect on 1 July 2016**. These changes, implemented into Canadian law, impose on all shippers of containers the obligation to obtain and provide a “Verified Gross Mass” (VGM) for every loaded container tendered to ocean carriers in advance of loading.

Beginning 1 July 2016, carriers in Canada and around the world will be obligated to refuse loading of any container that does not have a VGM in compliance with SOLAS and the implementing regulations under the *Canada Shipping Act*. Shippers that are non-compliant with the VGM reporting rules are liable for any costs that may result from failure or delay in providing VGM, including storage, demurrage, container weighing and rerouting costs, and commercial costs of delay, as well as for possible fines or penalties imposed by Transport Canada, carriers or terminals.

Ensuring safe operations for all parties in the transport chain and complying with all relevant rules and regulations for international carriage are among our top priorities, and we will work with our customers and the ocean carriers to ensure the transition to this new regime is as smooth as possible.

To ensure containers are not refused, shippers must provide a VGM that is obtained using qualified weighing equipment (ref: TP15330) and identify the authorized party who verified that weight. The VGM must include the container itself, all cargo and all packing and dunnage, and must be established by one of two methods:

1. Weighing the fully packed container; or
2. Weighing all of the packages, packing, bracing, and dunnage loaded into the container, and adding this to the verified tare mass of the empty container.

Estimates of weights, or any other method for weighing, are not permitted.

When must the VGM be provided? The VGM by law must be provided in sufficient time for the carriers to prepare their stowage plan. In practice, these cut-off times will vary from carrier to carrier and from port to port, and **we will communicate to you the relevant VGM reporting cut-off time in quotations and/or booking confirmations.**

To whom must the VGM be provided? Customers / Shippers must provide the VGM and name of the authorized party to us in sufficient time prior to the indicated VGM reporting cut-off date/time to allow us to ensure transmission of same to carriers and terminals as required under the booking.

How is the VGM data submitted? Customers / Shippers will be provided with a document either from Cole International, or from our contracted carrier and the VGM will have to be attested for on such document and signed by the Customer / Shipper.



What documentation is required? Shippers must maintain documentation verifying the measurement of the gross mass and identifying the party who was responsible for measuring it.

What documentation must be preserved? Under Canadian regulations these documents must be retained for a minimum of three months.

Please recall that all business is conducted in accordance with the Standard Trading Conditions of the Canadian International Freight Forwarders' Association (the CIFFA STCs), which are found [here](#). Under the CIFFA STCs, Customers have always warranted the accuracy of marks and descriptions of cargo, including weight (paragraph 7), and for packing, stowing, and marking of containerized goods competently and appropriately for international carriage.

Customers are liable for charges of any kind resulting from a failure to appropriately pack, mark, and describe containerized cargo, which includes providing required VGM data in a timely fashion. Customers have always been and remain liable to indemnify the Company against government, carrier, or terminal charges of any kind in respect of cargo, including costs associated with a failure to provide accurate or timely VGM data.

We remain committed to providing you with the best possible service, and will continue to update you as implementation of these new SOLAS regulations proceeds. Please do not hesitate to contact us with any questions about these new procedures.

Sincerely,

Cole International

References:

Transport Canada Bulletin: <http://www.tc.gc.ca/media/documents/marinesafety/SSB-04-2016E.pdf>

Transport Canada TP 15330: <http://www.tc.gc.ca/eng/marinesafety/tp-menu-515-4505.html>