

DB Schenker SOLAS VGM Guide

SOLAS
VERIFIED GROSS MASS (VGM)

Regulation effective 1 July 2016





Photo: © DB Schenker

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Incorrect vessel stowage decisions can occur if there is an inconsistency between the stated and actual gross mass of a packed container. This inconsistency could cause major impacts on the Ocean Freight transport and end up with complete loss of the freight in a worst-case scenario. As from 1 July 2016 the 171 member states of the International Maritime Organization (IMO) will begin to enforce the Safety of Life at Sea (SOLAS) revisions with the requirement that the weight of a packed container be verified by the shipper as a condition for being loaded onto a ship for export.

DB Schenker is global leader in responsible and sustainable shipping. Therefore, we are well prepared for assisting our customers to meet the new global safety compliance standards. In order to ensure that we are ready 1 July 2016, we have been working in close cooperation with our partners and terminals, and will apply internal processes and system improvements so that your verified gross mass (VGM) data submissions are dealt with promptly and accurately.

The DB Schenker team has compiled this guide so that you are provided with a good understanding of the requirements of the SOLAS VGM and DB Schenker's measures for implementation. The information included here will be updated on a regular basis. It is important, therefore, that you ensure that you have obtained the latest version. This can be obtained by contacting your local DB Schenker office or sales representative.



Photo: © Schenker Deutschland AG

Global Implementation of SOLAS

I. When will this be enforced?

The new SOLAS revisions become effective as from 1 July 2016. As of this date, Ocean Freight Carriers (Vessel Operating Carriers) will be allowed to load a packed container on board of their vessels only after its VGM has been obtained (see Question IV.1 for the definition of VGM).

2. Is there a grace period for compliance?

On 23 May 2016, the IMO recommended that national administrations and member Port State Control authorities should take a practical and pragmatic approach to ensure that the SOLAS revisions between 1 July 2016 and 30 September 2016 are observed. However, this must NOT be viewed as a postponement of the effective date, which remains 1 July 2016. The three-month transition period was primarily recommended to allow transshipment containers that were loaded onto a vessel before 1 July 2016 the flexibility to tranship on or after this effective date without the need for VGM. Aside from shipments falling within the aforementioned transshipment scenario, we strongly recommend that you plan for VGM observance by 1 July 2016.

3. What is in scope of the SOLAS regulation?

All packed containers which are handled based on the International Convention for Safe Containers (CSC) and which are to be loaded onto a ship in accordance with SOLAS Chapter VI. VGM declaration will be in scope; including all standard Seafreight equipment such as standard boxes, tank, flat rack and bulk containers. In this effect, almost 90% off all shipping volume worldwide will be handled according to the new SOLAS regulation.



only shipper-declared containers with VGM will be loaded on board of the vessels at Port of Loading

“NO VGM, NO GATE-IN”
 Certain terminals adopt a more stringent policy to reject containers without VGM at gate-in.

Photo: © Heiner Müller-Elsner

4. Which geographical areas are affected?

The regulation is legally valid globally. All 171 IMO members have started to implement the amendments in their respective jurisdictions, including those in relation to verified gross mass (VGM).

5. How will different local authorities enforce SOLAS?

Individual country’s authorities will enforce SOLAS requirements in accordance with their own guidelines. For example, authorities in certain countries may determine their own policies on:

- Certifying weighing service providers
- Calibrating weighing scales and methods
- Allowing for VGM versus actual mass variance

We will keep you updated on the latest SOLAS guidelines as soon as the information is made available via your local DB Schenker office or representative.

6. How can I find out whether my upcoming shipments will require VGM submission to DB Schenker?

DB Schenker will require VGM to be submitted for any international cargo due to depart the first harbor from which it was loaded on or after 1 July 2016, based on the relevant local time. You may wish to consult with your local DB Schenker representative if you are unsure whether a particular shipment requires VGM

7. How will this apply to transshipments?

For practical reasons, DB Schenker will only implement the VGM rule if your international cargo departs the shipment’s first loading harbor on or after 1 July 2016. If the shipment has already departed on its sea-going journey before 1 July 2016 and transships at another harbor on or after this date, DB Schenker will not apply the VGM rule to your container.

8. Does DB Schenker’s policy differ from that of the terminals?

Globally, carriers may not load a packed container on board vessels unless the VGM has been provided by the shipper in advance. To satisfy the global regulation, beginning on 1 July 2016 DB Schenker will follow a “No VGM, No Load” policy in all countries.

Furthermore, it should be noted that certain terminals may choose to implement a “No VGM, No Gate-In” policy. The operators of these terminals may deny gate entry to a packed container without a declared VGM.

9. How do I obtain more information about the policies at different terminals?

DB Schenker is working in close cooperation with all of the terminals in our network to compile relevant information on their relevant VGM implementation policies, including but not limited to:

- Whether they adopt a “No VGM, No Gate-In” policy
- Whether certified weighing service is provided at the relevant terminals
- Ocean Carrier VGM submission cut-off deadlines at the relevant terminal
- Their VGM variation tolerance policy, if any

Please contact your local DB Schenker office or representative for more information.



Photo: © Nordic Photos / Anautitus Images

Impact for Shippers

1. As the Responsible Party

The new SOLAS revisions clearly explain that the shipper is responsible for providing the VGM details to the Ocean Carrier “on time” to ensure a reliable preparation of the vessel load plan of the scheduled Ocean vessel. Because of this, the shipper will still remain the responsible party even when the shipper engages a third party to obtain the VGM. If the shipper’s container is not loaded due to a missing VGM, the shipper will be liable for any associated costs.

2. What is meant by ‘shipper’?

The shipper is defined as a legal entity or person named on the bill of lading or sea waybill as shipper and/or who has concluded a contract of carriage with a shipping company (further information in Chapter 2 of the IMO SOLAS Guidelines).

Therefore, depending on the contractual agreement, the shipper can be either the cargo exporter, importer

or a logistic service provider (NVOCC, consolidator or co-loader).

3. Impact on the booking process

You will need to make sure, as a shipper, that your booking & shipment lead times take container weighing time (if any) and your relevant VGM submission cut-offs into consideration. Concerning documentation, you will be required to submit additional VGM data to DB Schenker, either separately or as part of the shipping instructions, depending on the submission channel. See Question V.3.

4. Impact on costs

As well as any costs associated with weighing your containers and submitting your VGM data, you will need to consider possible incidental costs in the event you fail to submit your VGM in time. See Question V.8.

5. As a shipper, what will I be required to do?

As a shipper you shall consider the following action points in your transport handling routines:

- Determine who the legally defined shipper is (yourself or a logistics provider) by examining internal processes
- Assess weighing options – taking into account necessary costings and procedures
- Determine whether you will need to approach a weighing service provider
- Find out the VGM data for your container (see Section IV. Determining VGM)
- Submit the VGM data for your container to DB Schenker (see Section V. Submitting VGM)
- Take note of the cut-off requirements for each terminal’s VGM submission
- Take note of the SOLAS VGM implementation guidelines, including auditing and penalty rules (if any) for local authorities (if applicable)
- If necessary, find out more information from your local shipper community
- If you have any further questions, contact your DB Schenker representative

As your chosen logistic service provider, DB Schenker will assist you on these process steps by providing necessary information and prompt notifications in case of a missing or late VGM submission, and by designing smooth and friendly VGM submission procedures.



Photo: © Eberhard Petzold, foto-dock.com

Shipper = Exporter/Importer or Logistic Service Provider (NVOCC/Consolidator/Co-loader)



Determination of VGM

1. What exactly does verified gross mass (VGM) mean?

VGM policy requires that the total weight of each packed container must be measured and stated. This total weight contains not only the weight of all packaging and cargo items, but also the container tare and all supplementary loading equipment (e.g. lashing materials). Please see to Chapter 2.1 of the IMO SOLAS Guidelines for the exact definitions of these terms.

It should be noted that VGM does NOT have the same meaning, and should not be mistaken for the estimated weight stated in the Booking or the cargo weight stated on the Bill of Lading.

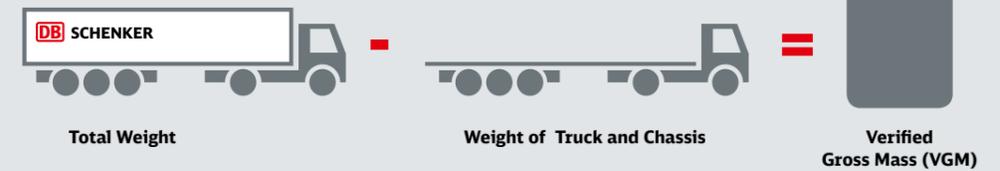
2. How can the VGM be determined?

There are two methods for weighing (see Chapter 5 of the IMO SOLAS Guidelines)

- Method 1: Weighing the entire container after it has been packed (e.g. weighing the entire truck along with the container at a certified weighing bridge, then subtracting the weights of the truck and chassis).
- Method 2: Weighing all of the cargo and the contents of the container individually, then adding those weights to the container's tare weight. Factor in additional loading equipment, if any.

How do I determine the VGM?

Method 1:



Method 2:



3. Which providers may carry the weighing service?

The shipper may either carry out the weighing themselves, or employ a third party certified for this service (some terminals offer this within their yard). However, according to Chapter 2 of the IMO SOLAS Guidelines, any weighing equipment used to weigh the contents of the container must meet the relevant accuracy standards and requirements of the country or state in which the equipment is being used. Furthermore, the method used for weighing the contents on the container is subject to certification and approval as determined by the competent authority of the state in which the packaging and sealing of the container is carried out.

to submit the total packed container mass data to DB Schenker. But, we aim to make the container tare weight data available in the manner which is most convenient to you.

8. How can information on a standard container tare weight be obtained?

The tare weight is available on the door side of each container. The container tare weight may also be obtained via DB Schenker's Container Tare Weight online query tool. Please contact your local DB Schenker office or representative for more information.

4. Will a certified weighing service be provided at the port terminals?

Certified weighing services are currently not available at all port terminals globally, but are for sure offered at the main Ocean seaports on all continents.

5. Which weighing method is most suitable for bulk cargo?

Since the individual weighing of bulk cargo (e.g. scrap or unbagged grain) is impractical, Method 1 may be more suitable. It should be noted that not all terminals offer a certified VGM weighing service. You may want to confirm with the terminal operator before sending your bulk cargo in to be weighed.

6. To what extent is a variation in VGM tolerated?

Certain local authorities allow for a specific margin of error in VGM. Please contact your local DB Schenker office or representative for more information.

7. Can I simply submit the cargo gross mass to DB Schenker in Method 2, since you already have the container tare weight data?

The SOLAS regulation makes the shippers responsible for providing the VGM. Shippers are therefore required

9. What happens if the VGM exceeds the maximum payload?

Under IMO's International Convention for Safe Containers (CSC), containers with a weight that exceeds the maximum payload will not be loaded on board vessels.

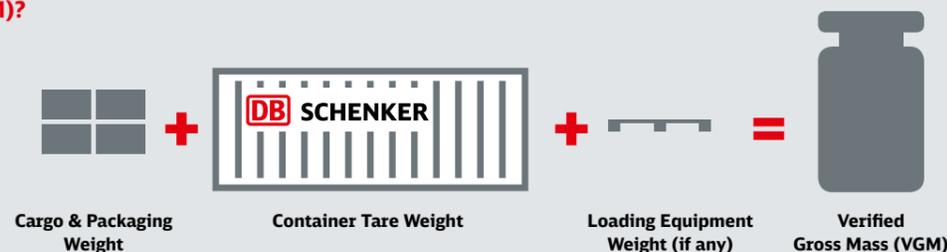
10. Do my containers need to be weighed at a transshipment port?

No. Your containers will already have been VGM-declared at the port of origin, so no further weighing will be required at the transshipment port.

11. What is the difference for LCL?

For our consolidation product LCL DB Schenker is the Shipper to the Ocean Carrier. We are, therefore directly responsible for obtaining and transmitting the VGM of the consolidated container in a timely manner to ensure the container is loaded onto the vessel. As we already receive the accurate gross weight of the shipment from you we will not ask for a separate VGM statement. If you are not able to provide the accurate weight DB Schenker can arrange the weighing service for you. Since the infrastructure and therewith weighing possibilities are different in every country please ask your local DB Schenker office for the related cost.

What is verified gross mass (VGM)?



What verified gross mass is not





Submission VGM

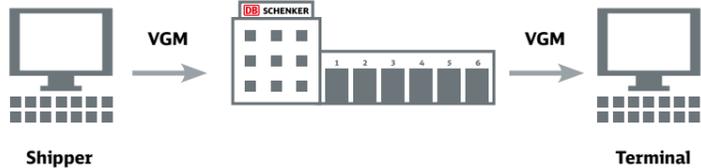
I. Definition of the VGM data flow

Under the SOLAS requirements, The party responsible for providing the VGM data is the shipper named on the bill of lading. When shipping with DB Schenker, the default data flow for VGM information will be: SHIPPER > DB Schenker > Ocean Carrier.. Upon successful receipt your declared VGM data, DB Schenker will transmit it to the Ocean Carrier on your behalf.

Exceptions to the above flow include the following scenarios, where DB Schenker will accept VGM submissions from terminals:

- Where the standard terminal processes require all shippers to submit VGM directly to them or indirectly via a centralized port-wide platform; and
- Where the shipper uses a terminal's weighing service to obtain the VGM data and the terminal is capable of transmitting VGM data to DB Schenker via EDI.

The latest set of VGM data received by DB Schenker relating to a packed container will always overwrite records from a previous submission.





2. By what point must VGM be submitted?

Specific requirements can differ among governments, harbors and terminals. DB Schenker's VGM submission cut-off deadlines will therefore vary depending on. In addressing these external factors, we aim to keep each VGM submission cut-off as close to the respective container yard (CY) cut-off as operationally possible.

Furthermore, we will inform you of the exact cut-off date and time for your shipment during the booking process.

3. How can VGM be submitted to DB Schenker?

VGM data may be submitted to DB Schenker via any of the following methods:

- Online submission via SCHENKER eBooking/ eSchenker
- E-mail submission

More details on each submission method.

- **Submitting online using DB Schenker eSchenker eService** will be available by mid-August. Moreover, we are planning to improve our SI submission form to give you the option of submitting VGM together with SI.

E-mail submission

When VGM submission is not possible via EDI or portals, DB Schenker accepts submission via e-mail attachment using the standard Microsoft PDF template. Please contact your local DB Schenker office or representative for more information.

4. What information is required while submitting VGM?

Below are the fields which should be filled while submitting using any of the above methods:

- Booking / Bill of Lading (BL) No. (Mandatory)
- Container No. (Mandatory)
- Verified Gross Mass (VGM) (Mandatory)
- Unit of Measurement (KG or LB) (Mandatory)
- Authorised Person's Signatory (in CAPITAL) (Mandatory)
- Responsible Party Name (Optional)
- Date of Declaration (Optional)
- Method of Weighing (1 or 2) (Optional)
- Weighing Party Name (Optional)
- Any additional mandatory/optional information as requested by local authorities (e.g. for UK, Weighing Party Certification No.)

5. Does VGM have to be submitted before gate-in?

Certain terminals adopt a "No VGM, No Gate-In" policy, which means shippers will be required to submit VGM prior to gate-in. Therefore, it is important that your VGM data is submitted early, so that truckers are prevented from being rejected at the gate, thus incurring unnecessary costs.

6. What will happen if VGM is submitted late?

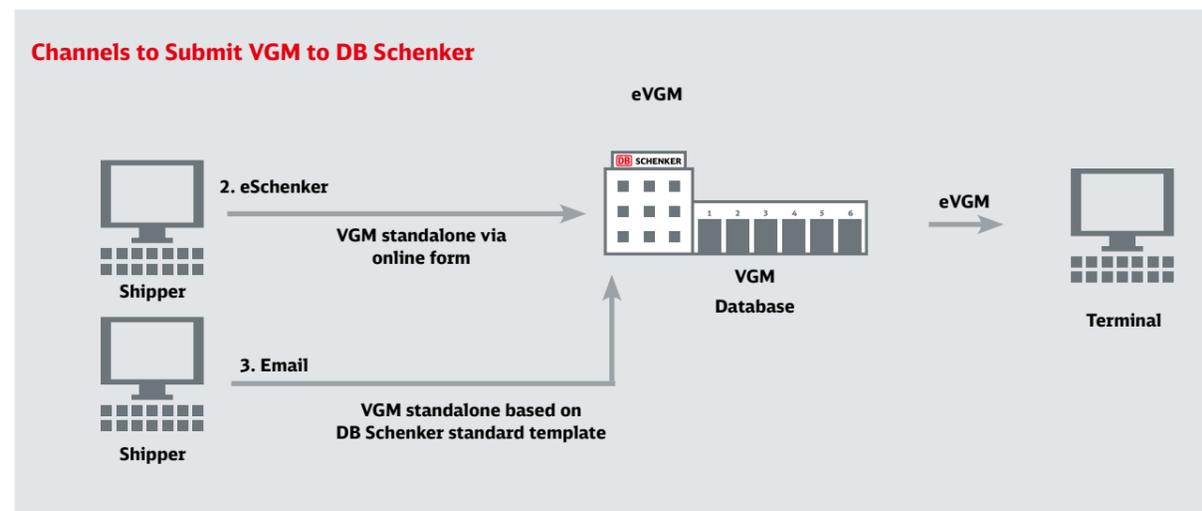
Without exception, the Ocean Carriers will not be able to load cargo without a stated VGM. This could result in your cargo delivery being delayed since the relevant container may be rolled to another vessel voyage. Shippers may also incur recovery costs.

As the party responsible for VGM submission, shippers are liable for additional drayage costs if the box out of the terminal has to be moved, e.g. to get a VGM.

7. After submitting my VGM, will I be able to make amendments?

Yes. We will advise you of amendment process in due course.

It should be noted that DB Schenker only needs the VGM information as stated above, not the actual supporting documents VGM.



Impressum

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