

Notice on SOLAS VGM Implementation *Hong Kong*

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SOLAS Regulation – Verified Gross Mass (VGM) mandatorily effective July 1, 2016

The amendment to the "International Convention for Safety of Life at Sea" (SOLAS) requires that the gross weight of any container must be verified and reported to the ocean carrier. Only containers for which the verified gross mass (VGM) has been duly reported are allowed to be loaded on board of a vessel. This critical change is effective July 1, 2016.

There are two methods to establish the VGM. Under Method 1, a loaded container must be weighed on properly calibrated and certified weighing equipment. "Method 2" is to establish weight of the individual packages using verified equipment, and then adding the weight of additional stowage material used plus the tare weight of the container to the established total weight of all the packages. Method 2 is only available to certain shippers, entitled to use such method under the local implementation of the SOLAS rules.

In Hong Kong, the Marine Department has announced the <u>rules for local implementation</u>. Please note that there is a list of Approved Weighing Equipment for Container Mass Verification under Method 1 and there is a registration scheme for shippers to apply for the adoption of Method 2. Shippers are advised to review the rules in detail in order to ensure proper compliance and avoid any potential disruption to their shipments and supply chain.

In particular, please note the following highlights to the shipment procedures regarding VGM:

- When placing the bookings, shippers are required to indicate the relevant method which they intend to use to establish the VGM (i.e. Method 1 or 2)
- If a forwarder is managing the delivery of loaded containers to the terminal, shippers may request that the forwarder establishes the VGM (at the shipper's expense)
- VGM submission must take place by the cut off time as set out by the carriers' terminals

Any non-compliance to the procedures above and the Local Rules may result in disruption and additional costs. Any charges, risk, damages and/or consequences in connection with establishing the VGM and/or supplying the VGM to the carrier/terminal shall be borne exclusively by the shippers. We are committed to assist you to be fully compliant with VGM implementation; please do not hesitate to contact us for any further assistance.

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