

Notice on SOLAS VGM Implementation *China*

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

According to the notice dated June 6, 2016 released by China's Ministry of Commerce, the amendments to the "International Convention of Safety of Life at Sea" (SOLAS) will become effective from July 1st, 2016. Please note the following bullet points to help you prepare your suppliers to fully comply with the coming changes:

- The shipper named on the Bill of Lading undertakes the duty and obligation of verifying the gross weight of its packed container before it can be loaded onto a ship.
- The shipper shall be responsible to duly report VGM in the form of a shipping document to the ocean carrier or its representative.
- A packed container without a VGM is not allowed to load onto the vessel.

The shipper can choose either Method 1 or Method 2 to obtain VGM:

Method No.1: Weighing

Upon the conclusion of packing and sealing a container, the shipper may weigh (or authorize a third party to weigh) the packed container using calibrated and certified weighing equipment.

Method No.2: Calculating

The shipper (or, by authorization of the shipper, a 3rd party), may weigh all packages and cargo items, including the mass of pallets, dunnage and other packing and securing material to be packed in the container, and add the tare mass of the container to the sum of the single masses using a certified method.

Whether the shipper weighs on its own behalf or entrusts a third party to perform this function, the shipper remains full responsible for the accuracy of the VGM.

- The Maritime Safety Administration under the Ministry of Transportation is entrusted to conduct random checks on VGM compliance.
- The accepted tolerances for the VGM provided by the shipper versus Actual Mass may not exceed +/-5% or 1 TON (whichever is the smaller).

Shapiro and our agent partners remain committed to assisting you with compliance for these regulations to avoid any potential disruption to your supply chain and additional costs. We strongly recommend that your company makes certain that your suppliers are ready for the changes above and that you firmly communicate your expectations to those suppliers.

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