

June 2016

## SOLAS VGM Requirement

Dear Customer,

Following earlier communication on the implementation of the new SOLAS (Safety of Life at Sea) requirement for the verification of container weights, we would like to provide you with further details pertaining to this requirement.

As already announced, effective July 1st, 2016, every packed export container is required to have a Verified Gross Mass (VGM) as a condition of loading aboard a vessel. Safmarine supports this requirement as it promotes safety across the industry, including for our customers and their cargoes, landside personnel and subsequently our employees and vessels.

In order to meet the July 1st deadline, we are readying our systems and processes to support the submission of a Verified Gross Mass (VGM) from our customers. Our goal is to facilitate an easy submission of a VGM and a consistent information exchange with terminal operators. Below are the main principles Safmarine will be adopting under the new requirement:

- **Who Submits the VGM to Safmarine?**

As per the SOLAS requirement, the Shipper noted on the Bill of Lading will be the party responsible for providing the carrier and the terminal operator the VGM. In the case of Safmarine, the VGM information flow will begin with the Shipper who submits the information to Safmarine, who subsequently sends the information to the terminal. In the instance that a Shipper uses the terminal's weighing service to obtain VGM data, the information will flow from the Terminal to the Shipper, who then submits the information to Safmarine. Often the Terminal will also send the VGM directly to Safmarine.

- **How do I calculate the VGM?**

Shippers may use one of two methods to determine the VGM:

**Method 1** - Weighing the fully loaded container after it has been packed.

**Method 2** - Weighing the contents of the container, including cargo and any packing materials, and then adding that to the tare weight of the container printed on the door. If using Method 2, Safmarine will be launching a solution to facilitate this method for customers by providing a convenient way to lookup the container tare weight on our website [www.safmarine.com](http://www.safmarine.com).

## ▪ **How should I submit the VGM to Safmarine?**

The preferred method for submission of a VGM to Safmarine is through one or any of the digital channels mentioned below:

- Via our website [www.safmarine.com](http://www.safmarine.com) and login through our **My Safmarine** portal. This solution will be available by 5 June 2016.
- Via EDI message for customers sending booking or shipping instructions via EDI solutions with Safmarine.
- Via service portals such as GT Nexus and CargoSmart.

Manual methods of submission (email and fax) are also acceptable but not encouraged - the preferred methods are the established digital channels to avoid documentation errors and delays in handover of information.

## ▪ **What are the cut-offs for VGM submission?**

As a general guidance, the VGM should be received by Safmarine prior to the cargo gate cut-off before loading the vessel. However, given the specific requirements being implemented by each port and/or terminal across the world, the cut-off for a VGM may vary and will therefore be communicated separately by our local organizations. In light of this variability, Safmarine will provide the cargo cut-off and deadlines for declaring a VGM at the time of booking via your booking confirmation.

## ▪ **What is the “No VGM, No Gate-in” Policy?**

While Safmarine will comply with the IMO’s SOLAS requirement for VGM prior to loading, some terminals may adopt an additional buffer known as the “No VGM, No Gate-in” policy. It is important to emphasize that the “No VGM, No Gate-in” policy is decided and enforced by the terminal and/or the governmental agency and not by Safmarine. This policy will prevent a packed container from entering the gate when a VGM is absent. In the event of a terminal enforcing a “No VGM, No Gate-in” policy, the VGM will need to be submitted to Safmarine in due time before Gate-in. The exact submission deadline will be communicated separately.

- **What are the consequences of not submitting a VGM before cut-off?**

Several outcomes may occur should no VGM be provided to Safmarine before cut-off:

- If a terminal at the port of loading has adopted the “No VGM, No Gate-in” policy, the container may be denied at the gate. Additional costs may incur from the trucker or the time awaited to submit the VGM before the container can be accepted for entry.
- As already noted, no container will be loaded on board a vessel without a VGM. Delays on your cargo may impact the fluidity of your supply chain should a container not load its planned voyage due to an absence of a VGM. Additionally, potential demurrage and/or detention charges may apply when a container is sitting idle at the terminal awaiting for VGM submission.
- Should a container mistakenly be loaded to a vessel without a VGM, any transshipment port may refuse to handle the container. Consequently, the vessel or container may be subject to delays or be held at the transshipment terminal.
- Although rail providers have announced that the VGM requirement does not impact rail operations, if a terminal has a “No VGM, no Gate-in” policy, the export container arriving to this terminal before VGM submission may result in additional charges to the customer.

- **Will Safmarine verify the VGM provided by the Shipper?**

Under the SOLAS agreement, Safmarine is not required to verify or compare the VGM provided by the shipper. However, if the terminal questions the declared weight and provides a certified scaled weight for the container, that weight will be used as the VGM for load planning.

For more information about Safmarine’s policy and VGM requirement, please visit our website at [Safmarine.com](https://www.safmarine.com).

As always, we thank you for your support and will continue to keep you informed on the implementation of the SOLAS requirement.

Thank you,  
Safmarine