



The Federation of National Associations of Ship Brokers and Agents

FONASBA

STANDARD LINER AGENCY AGREEMENT

Fourth Edition
Revised and adopted JULY 1993
Recommended by The Baltic and International Maritime Council (BIMCO)

It is hereby agreed between:

..... of (hereinafter referred to as the Principal)

and

..... of (hereinafter referred to as the Agent

dated the day of 19.....

that:

- 1.00 The Principal hereby appoints the Agent as its Liner Agent for all its owned and/or chartered vessels including any space or slot charter agreement serving the trade between and
- 1.01 This Agreement shall come into effect on and shall continue until Thereafter it shall continue until terminated by either party giving to the other notice in writing, in which event the Agreement shall terminate upon the expiration of a period of months from the date upon which such notice was given.
- 1.02 The territory in which the Agent shall perform its duties under the Agreement shall be hereinafter referred to as the "Territory".

2.00 General Conditions

- 2.01 This Agreement covers the Port and/or Inland Agency work within the Territory. It includes the duties of marketing the Principal's services and of handling of all types of cargo entering or leaving the Territory whether direct or by transshipment. It also includes the handling of vessels owned, chartered (including any slot or space charter agreement) or otherwise operated by the Principals within the port(s) of the Territory. Work performed as Liner Agent under this Agreement will be strictly separated from any work performed as General Agent for which a separate Standard General Agency Agreement and separate remuneration will be applicable.
In case of any ambiguity as to which agreement governs the work in question, the terms of the Standard Liner Agency Agreement will prevail.
- 2.02 The Agent undertakes not to accept the representation of other shipping companies nor to engage in NVOCC or such freight forwarding activities in the Territory, which are in direct competition to any of the Principal's transportation activities, without prior written consent, which shall not unreasonably be withheld.
- 2.03 The Principal undertakes not to appoint any other party in the Agent's Territory for the services defined in this Agreement.
- 2.04 Where any of the activities of the Agent in the Territory are not covered by this Agreement, then the local General Conditions in the latest version or established custom of the trade and/or port shall apply and form part of this Agreement, unless otherwise agreed. The Agent undertakes to acquaint the Principal with any relevant local custom or practice and to furnish the Principal with a copy of the local General Conditions if any.
- 2.05 In countries where the position of the agent is in any way legally protected or regulated, the Agent shall have the benefit of such protection or regulation, unless otherwise agreed.
- 2.06 All aspects of the Principal's business are to be treated confidentially and all files and records pertaining to this business are the property of the Principal.

3.00 Duties of the Agent-

- 3.01 To represent the Principal in the Territory, using his best endeavours to comply at all times with any reasonable specific instructions which the Principal may give, including the use of Principal's documentation, terms and conditions.
- 3.02 In consultation with the Principal to recommend and/or appoint on the Principal's behalf and account, Sub-Agents if required.
- 3.03 In consultation with the Principal to recommend and/or to appoint on the Principal's behalf and account, Stevedores, Watchmen, Tallymen, Terminal Operators, Hauliers and all kinds of suppliers if required.
- 3.04 The Agent will not be responsible for the negligent acts or defaults of the Sub-Agent or Sub-Contractor unless the Agent fails to exercise due care in the appointment and supervision of such Sub-Agent or Sub-Contractor.
Notwithstanding the foregoing the Agent shall be responsible for the acts of his subsidiary companies appointed within the context of this Clause.
- 3.05 The Agent will always strictly observe the shipping laws and regulations of the country and will indemnify the Principal for any fines, penalties, expenses or restrictions that may arise because the Agent wilfully failed to comply with those laws or regulations.
- 3.10 Marketing and Sales**
- 3.11 To provide marketing and sales activities in the Territory, in accordance with general guidelines laid down by the Principal, to canvass and book cargo, to publicise the services and to maintain contact with Shippers, Consignees, Forwarding Agents, Port and other Authorities and Trade Organisations.
- 3.12 To provide statistics and information and to report on cargo bookings and use of space allotments. To announce sailing and/or arrivals, and to quote freight rates and announce freight tariffs and amendments.
- 3.13 To arrange for public relations work (including advertising, press releases, sailing schedules and general promotional material) in accordance with the budget agreed with the Principal and for his account.
- 3.14 To attend to Conference matters if required on behalf of the Principal and for the Principal's account.
- 3.15 To issue on behalf of the Principal Bills of Lading and Manifests, documents requested by conferences, delivery orders, certificates and such other documents as may be reasonably required.
- 3.20 Port Agency**
- 3.21 To arrange for berthing of vessels, loading and discharging of the cargo, in accordance with the local custom and conditions.
- 3.22 To supervise and co-ordinate all activities of the Terminal Operators, Stevedores, Tallymen and all other Contractors, in order to ensure the proper performance of the customary requirements for the best possible operation and despatch of the Principal's vessel.
- 3.23 To arrange for calling forward, reception and loading of outward cargo and discharge and release of inward cargo and to attend to the transhipment of through cargo.
- 3.24 To arrange for bunkering, repairs, husbandry, crew changes, passengers, ship's stores, spare parts, technical and nautical assistance and medical assistance as required.
- 3.25 To carry out the Principal's requirements concerning claims handling, P&I matters, General Average and/or Insurance, and the appointment of Surveyors.
- 3.26 To attend to all necessary documentation and to attend to consular requirements if required.
- 3.27 To arrange for and attend to the clearance of the vessel and to arrange for all other services appertaining to the vessel's movements through the port.
- 3.28 To report to the Principal the vessel's position and to prepare a statement of facts of the call and/or a port log.
- 3.29 To keep the Principal regularly and timely informed on Port and working conditions likely to affect the despatch of the Principal's vessels.
- 3.30 Container and Ro/ro Traffic**
- Where "equipment" is referred to in the following section it shall comprise containers, flat racks, trailers or similar cargo carrying devices, owned, leased or otherwise controlled by the Principal.*
- 3.31 To arrange for the booking of units on the vessel.

- 3.32 To arrange for the stuffing and unstuffing of LCL cargo at the port and in consultation with the Principal to arrange for the provision of inland LCL terminals, and the supervision of these activities where required.
- 3.33 To prepare the additional container shipping documentation.
- 3.34 To provide and administer a proper system, or to comply with the Principal's system for the control and registration of equipment. To organise equipment stock within the Agent's Territory and if required make provision for storage, positioning and repositioning of the equipment.
- 3.35 To comply with Customs requirements and arrange for equipment interchange documents in respect of the movements for which the Agent is responsible and to control the supply and use of locks, seals and labels.
- 3.36 To make equipment available and to arrange inland haulage as required.
- 3.37 On behalf and for the account of the Principal to undertake the leasing of equipment into and re-delivery out of the system.
- 3.38 To operate an adequate equipment damage control system in compliance with the Principal's instructions. To arrange for equipment repairs and maintenance, when and where necessary and to report on the condition of equipment under the Agent's control.
- 3.40 **Accounting and Finance**
- 3.41 To provide for appropriate records of the Principal's financial position to be maintained in the Agent's books, which shall be available for inspection as required and to prepare periodic financial statements as may be reasonably required.
- 3.42 To check all vouchers received for services rendered and to prepare a proper disbursement account in respect of each voyage or accounting period.
- 3.43 To advise the Principal of all amendments to port tariffs and other charges as they become known.
- 3.44 To calculate freight and other charges according to Tariffs supplied by the Principal and to exercise every care and diligence in applying all terms and conditions of such Tariffs or other freight agreements. If the Principal organises or employs an organisation for checking freight calculations and documentation the costs for such checking to be entirely for the Principal's account.
- 3.45 To collect freight and related accounts and remit to the Principal all freights and other monies belonging to the Principal at such periodic intervals as the Principal may require. All bank charges to be for the Principal's account. The Agent shall advise the Principal of the customary credit terms and arrangements. If the Agent is required to grant credit to customers due to commercial reasons, the risk in respect of outstanding collections is for the Principal's account unless the Agent has granted credit without the knowledge and prior consent of the Principal.
- 3.46 The Agent shall have authority to retain money from the freight collected to cover all past and current disbursements, subject to providing regular cash position statements to the Principal.
- 3.47 The Agent in carrying out his duties under this Agreement shall not be responsible to the Principal for loss or damage caused by any Banker, Broker or other person, instructed by the Agent in good faith unless the same happens by or through the wilful neglect or default of the Agent. The burden of proving the wilful neglect of the Agent shall be on the Principal.

4.00 **Principal's Duties**

- 4.01 To provide all documentation, necessary to fulfill the Agent's task together with any stationery specifically required by the Principal.
- 4.02 To give full and timely information regarding the vessel's schedules, ports of call and line policy insofar as it affects the port and sales agency activities.
- 4.03 To provide the Agents immediately upon request with all necessary funds to cover advance disbursements unless the Agent shall have sufficient funds from the freights collected.
- 4.04 The Principal shall at all times indemnify the Agent against all claims, charges, losses, damages and expenses which the Agent may incur in connection with the fulfillment of his duties under this Agreement. Such indemnity shall extend to all acts, matters and things done, suffered or incurred by the Agent during the duration of this Agreement, notwithstanding any termination thereof, provided always, that this indemnity shall not extend to matters arising by reason of the wilful misconduct or the negligence of the Agent.
- 4.05 Where the Agent provides bonds, guarantees and any other forms of security to Customs or other statutory authorities to cover the movement of cargo on behalf of the Principal or the Principal's containers, stores or other equipment then the Principal shall indemnify and reimburse the Agent immediately such claims are made, provided they do not arise by reason of the wilful misconduct or the negligence of the Agent.

- 4.06 If mutually agreed the Principal shall take over the conduct of any dispute which may arise between the Agent and any third party as a result of the performance of the Agent's duties.

5.00 Remuneration

- 5.01 The Principal agrees to pay the Agent and the Agent accepts, as consideration for the services rendered, the commissions and fees set forth on the schedule attached to this Agreement. Any fees specified in monetary units in the attached schedule shall be reviewed every 12 months and if necessary adjusted in accordance with such recognised cost of living index as is published in the country of the Agent.
- 5.02 Should the Principal require the Agent to undertake full processing and settlement of claims, then the Agent is entitled to a separate remuneration as agreed with the Principal and commensurate with the work involved.
- 5.03 The remuneration specified in the schedule attached is in respect of the ordinary and anticipated duties of the Agent within the scope of this Agreement. Should the Agent be required to perform duties beyond the scope of this Agreement then the terms on which the Agent may agree to perform such duties will be subject to express agreement between the parties. Without prejudice to the generality of the foregoing such duties may include e.g. participating in conference activities on behalf of the Principal, booking fare-paying passengers, sending out general average notices and making collections under average bonds insofar as these duties are not performed by the average adjuster.
- 5.04 If the Tariff currency varies in value against the local currency by more than 10% after consideration of any currency adjustment factor existing in the trade the basis for calculation of remuneration shall be adjusted accordingly.
- 5.05 If the Agent utilises computers and computer systems, any extra expenses occasioned by specific additional requirements of the Principal in the use of such computer equipment for the performance of the Agent's duties to the Principal shall be borne by the Principal.

6.00 Duration

- 6.01 This Agreement shall remain in force as specified in clause 1.01 of this Agreement. Any notice of termination shall be sent by registered or recorded mail.
- 6.02 If the Agreement for any reason other than negligence or wilful misconduct of the Agent should be cancelled at an earlier date than on the expiry of the notice given under clause 1.01 hereof, the Principal shall compensate the Agent. The compensation payable by the Principal to the Agent shall be determined in accordance with clause 6.04 below.
- 6.03 If for any reason the Principal withdraws or suspends the service, the Agent may withdraw from this Agreement forthwith, without prejudice to its claim for compensation.
- 6.04 Where applicable the current local General Conditions in the latest version and failing those the National Law on the termination of Agency Contracts will apply to this Agreement. Where no such conditions of Statute Law apply, the basis of compensation shall be the monthly average of the commission and fees earned during the previous 12 months or if less than 12 months have passed then a reasonable estimate of the same, multiplied by the number of months from the date of cancellation until the contract would have been terminated in accordance with clause 1.01 above. Furthermore the gross redundancy payments, which the Agent and/or Sub-Agent(s) is compelled to make to employees made redundant by reason of the withdrawal or suspension of the Principal's service, or termination of this Agreement, shall also be taken into account.
- 6.05 The Agent shall have a general lien on amounts payable to the Principal in respect of any undisputed sums due and owing to the Agent including but not limited to commissions, disbursements and duties.

7.00 Jurisdiction

- 7.01 a). This Agreement shall be governed by and construed in accordance with English law and any dispute arising out of this Agreement shall be referred to arbitration in London, one arbitrator being appointed by each party, in accordance with the Arbitration Acts 1950 and 1979 or any statutory modification or re-enactment thereof for the time being in force. On receipt by one party of the nomination in writing of the other party's arbitrator, that party shall appoint their arbitrator within fourteen days, failing which the decision of the single Arbitrator appointed shall apply. If two arbitrators properly appointed shall not agree they shall appoint an umpire whose decision shall be final.
- b) Any dispute arising out of this Agreement shall be referred to arbitration atsubject to the law and procedures applicable there.
- a) and b) are alternatives, if subclause b) is not filled in then a) shall apply.*

REMUNERATION SCHEDULE BELONGING TO STANDARD LINER AGENCY AGREEMENT

Between and date
(as Principal) (as Agent)

The Agent is entitled to the following remuneration based on all total freight earnings (including any surcharges, handling charges and freight additional which may be agreed) of the Principal's liner service to and from the Territory to be paid in Agent's local currency. The total remuneration per call shall not in any case be lower than the local fee applicable.

- I. A. Where the Agent provides all the services enumerated in this Agreement the Commission shall be:
 - Services outward%
 - inward%
- B.% for cargo when only booking is involved.
- C.% for cargo when only handling is involved.
- (“only handling” in the remuneration schedule is so defined that the duties of an Agent are to call forward and otherwise arrange for the cargo to be loaded on board, where the specific booking has been made elsewhere and acknowledged as such by the shipper as nominated for the Principal's service.
- D. In respect of movements of cargo outside the Agents' Territory% of the gross total freight is payable in cases where only collection of freight is involved.
- E. An additional fee for containers and/or units entering or leaving the inventory control system of the Agent a fee of per unit.
- II. A.% for cargo loaded on board in bulk.
- B.% for cargo discharged in bulk.
- III. Where the Agent provides only the services as non-port agent the remuneration shall be:

When actually booked/originating from this area:

 - A. Services outward%
 - inward%
 - B. An additional fee for containers and/or units entering or leaving the inventory control system of the Agent a fee of per unit.
- IV. Where the Agent provides only the services as non-port agent the remuneration shall be:
 - A.% for cargo loaded on board in bulk.
 - B.% for cargo discharged in bulk.
- V. Clearance and ship's husbandry fee shall be as agreed.
- VI. A Commission of% shall be paid on all ancillary charges collected by the Agent on behalf of the Principal such as Depot Charges, Container Demurrage, etc.
- VII. Communications: The Principal will either pay actual communication expenses on a cost plus basis or pay a lumpsum monthly on an average cost plus basis, to be reviewable.
- VIII. Travelling expenses: When the Agent is requested by the Principal to undertake journeys of any significant distance and/or duration, all travel expenses including accommodation and other expenses will be for the Principal's account.
- IX. Documentary and Administrative Charges: Such charges to be levied as appropriate by the Agent to cargo interests.

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PRINCIPAL **AGENT**