



The Federation of  
National Associations of  
Ship Brokers & Agents

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**THE ROLE, RESPONSIBILITIES AND  
OBLIGATIONS OF THE SHIP AGENT  
IN THE INTERNATIONAL  
TRANSPORT CHAIN**

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**AUGUST 2020**

Founded in 1969, **FONASBA** is the International Organisation representing the National Associations of Ship Brokers and Agents.

FONASBA is based in London.



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# Mission

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“To protect the professions of Ship Brokers and Agents worldwide, promoting fair and equitable practices and ensuring that the views of its members are voiced at the highest levels of the maritime industry”.



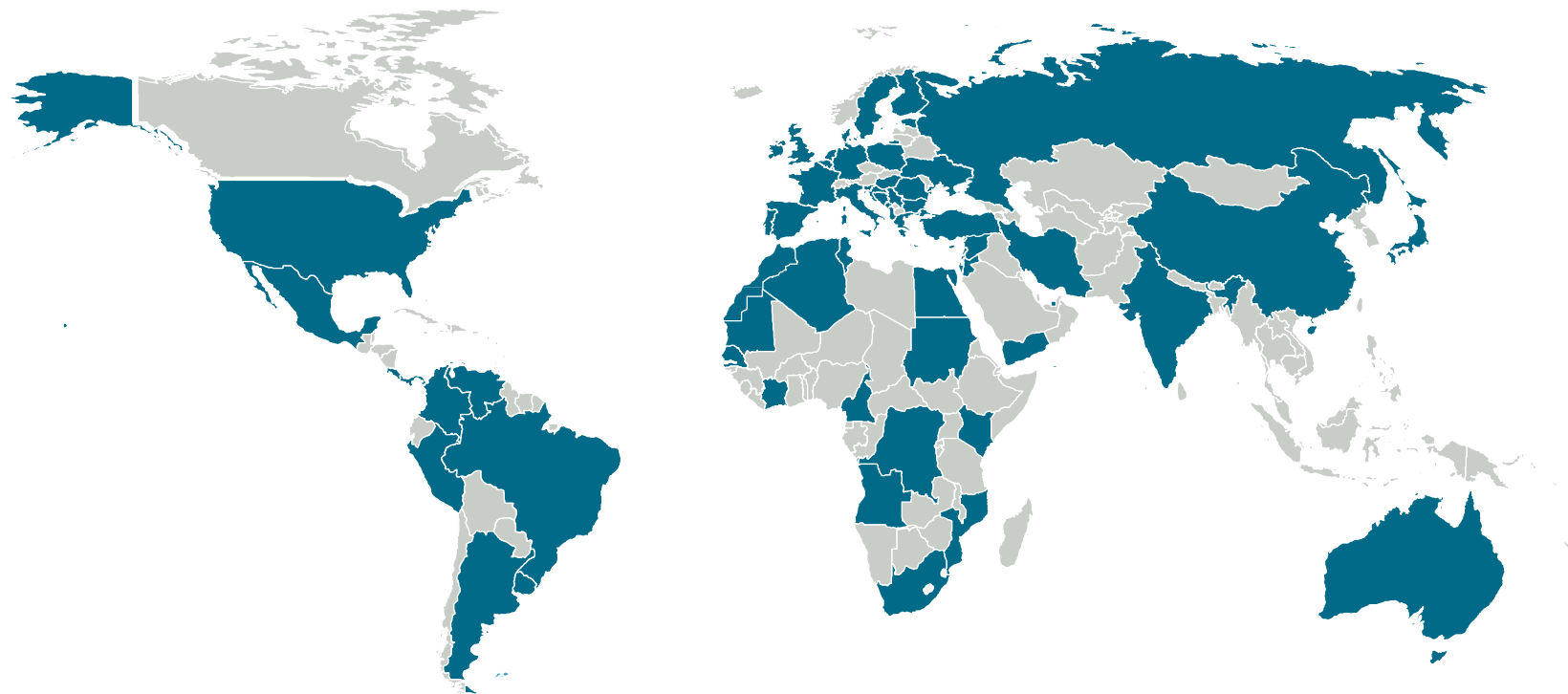
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## OUR MEMBERS

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**64 countries** representing over **5,000 companies**



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# DEFINITION

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**The ship agent is defined in the new IMO FAL Convention (effective January 2018) thus:**

*“Ship agent. The party representing the ship's owner and/or charterer (the Principal) in port. If so instructed, the agent is responsible to the Principal for arranging, together with the port, a berth, all relevant port and husbandry services, tending to the requirements of the Master and crew, clearing the ship with the port and other authorities (including preparation and submission of appropriate documentation) along with releasing or receiving cargo on behalf of the Principal”.*

In practice however, the agent can act for any of the parties involved in the voyage and in any capacity as agreed between the agent and his principal.



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## IN PRACTICE

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A ship agent is any person or company that carries out the functions of an agent, irrespective of whether they are in business as a ship agent, or they perform such functions as an adjunct to, or in conjunction with, other activities such as ship owning or operating, providing cargo handling or similar.

FONASBA makes no distinction between those providing agency services as their main business activity or as a part of a portfolio of marine related services.

Acting as the local representative of the principal, the agent provides local knowledge and expertise and ensures that the principal's requirements are performed with the utmost efficiency and despatch. Accordingly the agent requires to be fully conversant with all the appropriate regulations and requirements relating to the port, area or sector in which they operate, to have a wide range of relevant contacts and be sufficiently well established and founded to be able to provide the level of service and support the need of the principal.



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# THE MAIN TYPES OF SHIP AGENCY APPOINTMENT

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## **PORT AGENT:**

Organises and coordinates the port call, acting on behalf of the owner or operator of the vessel.

## **CARGO/LINER AGENT:**

Solicits cargo on behalf of the owner, or operator, usually within a defined geographical area

## **OWNERS/CHARTERERS AGENT:**

Acts for another party that has an interest in the port call. The specific duties undertaken vary depending on the relationship between the parties

## **OTHERS:**

As the principal may decide or require



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# THE PORT AGENT

The port agent is central to all trades and is responsible for organising, overseeing and coordinating all aspects of the port call, from booking berth allocations and services ahead of the vessel's arrival to finalising the accounts and other paperwork after the vessel has sailed.

Functioning as the de facto port single window, the agent is the conduit for all information exchanged between the vessel and the shore.



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## THE PORT AGENT contd/...

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In order to operate effectively, the port agent is required to be fully conversant with the safety, commercial and statutory requirements and regulations applicable to the port and ensure the vessel complies fully, in to ensure that no delays are caused as a result of failure to meet its obligations.

The port agent will also require wide ranging and effective contacts within the regulators, port operators and service providers in order to ensure that the actions taken, and information provided, are correct and appropriate.

When developing its unique Port Procedures Survey, FONASBA identified more than 130 separate operations that a port agent may be required to undertake. Whilst it is unlikely that an agent will have to carry out all 130+ operations in a single port call, the extent of the duties and disciplines covered is indicative of the breadth of knowledge and experience that the port agent is required to have and, importantly, to keep up to date.



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# THE CARGO/LINER AGENT

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Operating primarily in the liner and break bulk trades, the cargo or liner agent is responsible for securing cargo for the line or ship operator. This requires the agent to be in regular contact with local shippers and be ready to provide information on vessel schedules, competitive rates and conditions of carriage.

The agent may also offer or provide inland transportation, customs clearance and other related services.

The cargo agent may be independent and represent more than one principal, but is often tied to, or is often a subsidiary of, one specific principal.



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# THE OWNER'S/CHARTERER'S AGENT, OTHER APPOINTMENTS

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## OWNER'S/CHARTERER'S AGENT:

Depending on the circumstances of the port call, there may be more than one agent attending the vessel.

One party may decide that their best interests will be represented by appointing their own independent representative, rather than using the primary nominated agent. The exact role and responsibilities of this second agent (and indeed the title under which they operate) will be determined on a case by case basis.

## OTHER APPOINTMENTS:

An agent may be appointed to undertake other duties on behalf of a principal and the extent of those duties may be specific or general in nature as the principal requires. Such appointments often derive from unscheduled occurrences such as port calls arising as a result of an emergency, vessel breakdowns or pollution incidents, or action by statutory authorities such as customs or immigration.



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# **DUTIES OF THE AGENT/DELEGATED AUTHORITY, AS AGENTS ONLY**

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## **DUTIES OF THE AGENT/DELEGATED AUTHORITY:**

At the time of initial appointment, the principal will issue instructions to the agent detailing the services required and the limits of delegated authority. Within the limits of that authority, the agent is entitled to enter into agreements or contracts, disburse funds and make other arrangements that may bind the principal or incur costs on their behalf.

## **AS AGENTS ONLY:**

Assuming that the agent has not exceeded the delegated authority granted by the principal, the principal agrees to assume the obligations and to indemnify the agent for any costs resulting from any contract or arrangements entered into by the agent on the principal's behalf.

**The agent is entitled to benefit from the protections available to it under the above agreement but in order to do so must describe itself in all correspondence, written, verbal and otherwise, “as agents only”**



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# THE AGENCY FEE

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The agent will charge the principal a fee based on the volume of work undertaken. The fee is agreed through negotiation between the agent and the principal and is often subject to competition from other agents.

The precise form of the fee, for example a flat fee or one based on the duties undertaken, can vary widely. The flat fee is common in port agency whilst the component based fee is more normal for cargo agencies.



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# STANDARD AGENCY AGREEMENTS

FONASBA develops and publishes **Standard Documents** for use in the ship agency and ship broking sectors.

Foremost amongst these are the new FONASBA/BIMCO Agency Appointment Agreement(**AAA**) and General Agency Agreement (**GAA**) that provide both the principal and the agent with a fair and balanced template on which to base their relationship.

These documents can be found at:  
[www.fonasba.com/documentation](http://www.fonasba.com/documentation)



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## CONTACT

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**Thank you**

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