



Forwarding

Safety Regulation S960, valid as of 1 April 2020

1 Purpose

These safety regulations are intended to give guidance in order to prevent and minimize losses.

2 Conclusion of a freight forwarder contract

The conclusion of a freight forwarder contract requires two corresponding expressions of intent: a quotation and an approval of quotation. Examples of a freight forwarder contract include continuous annual contracts and contracts for individual transport assignments.

2.1 Form of a freight forwarder contract

The contract can be either oral or written. An oral contract is equally valid as a written one. However, in case of a dispute, it may be difficult to prove what had been verbally agreed.

A contract made over the phone must always be confirmed in writing. For example, if the freight forwarder contract includes an assignment for cash against documents (CAD) or cash on delivery (COD), the customer must provide detailed written instructions on the conditions of the delivery of goods and the (CAD) documents against which the goods may be delivered.

Any additional assignments or instructions must also be confirmed in writing.

A freight forwarder typically concludes contracts with subcontractors, partners and customers.

The aforementioned applies to all contracting parties, including when a freight forwarder acts as a subcontractor for another freight forwarder.

2.2 Contents of a freight forwarder contract

A company wishing to conclude a freight forwarder contract makes an offer to another company, proposing certain contents for the contract. The contract is concluded when the company approves the quotation made. Any conditions or matters proposed afterwards by the forwarder will not form part of the contract. In other words, the enclosure of conditions such as the General Conditions of the Nordic Association of Freight Forwarders (NSAB) in the invoice, or referral to them in connection with invoicing, is insufficient: they must be mentioned in the actual contract.

2.3 Services

The freight forwarder contract must specify in detail all services that the freight forwarder intends to sell to its customer or partner, such as customs clearance, handling, marking or storage of goods etc.

The agreed tasks must be entered in the offer in as much detail as possible so that they clearly become part of the contract. For example, the contract must specify whether the goods to be stored will be stored outdoors or indoors, any temperature requirements related to the storage etc.

2.4 Scope of liability

The scope of the freight forwarder's liability must be specified with particular care in the freight forwarder contract. Both the offer and the contract must state whether the freight forwarder assumes responsibility for the entire transport chain or only for its own performance. In other words, whether the freight forwarder acts as a contracting partner or only as an intermediary of services.

The standard conditions of the NSAB include limitations of liability. These conditions must be expressly mentioned in the offer in order to be applied in each assignment. Furthermore, the conditions must be attached to the offer.

3 Forwarding agency as a storekeeper and terminal operator

If the customer does not want to take out insurance against fire, water and burglary in accordance with §25 A of the NSAB 2015, the forwarder must ensure that the customer states so in writing.

The forwarding agency must ensure that the storage building and yard area are in all respects suitable for the storage of the intended goods. This means, for example, that

- the storage area is clearly marked
- outsiders can move in the storage area only under supervision
- goods stored outdoors are also protected against moisture from below
- when delivering goods from the storage, the forwarder ensures that the recipient is entitled to the goods
- the loading and unloading equipment is suitable for handling the goods in question

- the goods are loaded and secured against the anticipated strains of transport
- in the carriage of dangerous goods, particular attention is paid to the fact that
 - the original consigner of the goods is entered in the transport documents
 - the documents are correct
 - orders of the authorities are observed in the loading and storage of goods
 - persons handling the goods have received appropriate training.

4 Forwarding agency and partner (subcontractor, carrier etc.)

The forwarding agency must make clear in which capacity it acts as a contracting partner.

The forwarding agency must check its partner's reliability and background in order to ensure its ability to complete the assignment.

The forwarding agency must ensure that its equipment and that of its partner is suitable for the assignment.

The forwarding agency must verify that its subcontractor's liability insurance is correct and sufficient.

The forwarding agency must

- check the goods upon receipt
- issue any reservations of rights and notices of claim within the time limits applied to each mode of transport
- provide any partners with instructions to ensure similar procedures.

If the freight forwarder fails to, for instance, check the amount of goods when placing them for storage, and the missing of goods is only discovered later, the loss event is difficult to define when claiming for compensation.

5 Forwarding agency and customs clearance

The forwarding agency must ensure that it applies correct and up-to-date legislation, regulations and tariffs.

Pohjola Insurance Ltd, Business ID: 1458359-3

Helsinki, Gebhardinaukio 1, 00013 OP, Finland

Domicile: Helsinki, main line of business: non-life insurance companies

Regulatory authority: Financial Supervisory Authority, finanssivalvonta.fi/en

