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A SHIPPERS' GUIDE

SOLAS Verified Gross Mass (VGM) Requirement

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TABLE OF CONTENTS

[SOLAS VGM Requirement](#)

[VGM Impact on Shipper](#)

[VGM Process and Methods](#)

[Important things to remember as a Shipper](#)

[VGM Cut-Offs](#)

[VGM and Inland](#)

[“No VGM, No Gate-In” Policy](#)

[Tare weights and more information on terminals](#)

[Relevant Links](#)

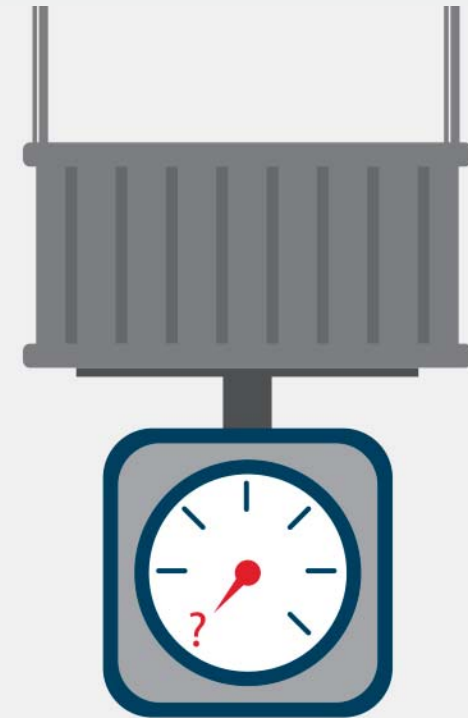
VERIFIED GROSS MASS

A commitment to safety

The Safety of Life at Sea (SOLAS) Amendment will enter into force from 1 July 2016 and will affect all shippers, who are required to communicate the verified gross mass of their packed containers prior to loading.

The incorrect declaration of container weight is a risk to on-and offshore personnel, to cargo and to equipment, on land and at sea. It has led to accidents, which the Verified Gross Mass (VGM) requirement aims to reduce.

At Maersk Line we support the commitment to safety and are well prepared to assist our customers in meeting the new global safety requirements. We are committed to making the process as easy as possible.



SOLAS VGM requirement



What is the Verified Gross Mass (VGM)?

The verified gross mass is the combined weight of the container tare weight and the weight of all cargo, including packaging and dunnage.

Why implement the VGM?

The new regulation was adopted by the IMO (International Maritime Organisation) to increase maritime safety and reduce risks facing cargo, containers and all those involved in container transport throughout the supply chain.

When will the VGM requirement be enforced?

The VGM requirement will be effective from 1 July 2016. Hereafter, carriers such as Maersk Line will not be allowed to load a packed container onto their vessels, unless a VGM has been provided by the shipper.



SOLAS VGM requirement

Under the SOLAS Amendment, Maersk Line is not required to verify 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.

Will the VGM be globally enforced?

The new regulation will be enforced globally, but countries can issue their own guidelines based on the SOLAS requirement. This may affect cut-off times, VGM tolerance allowance etc., which might differ from country to country. At Maersk Line, the local requirements will be communicated through our local offices, as soon as this information is made available.

VGM impact on shipper

Who will be responsible for the VGM submission?

The 'Shipper' named on the ocean Bill of Lading is the party responsible for providing the VGM to the carrier. A VGM needs to be submitted for every container being loaded on the vessel, before the load list cut-off. If the VGM is not provided in due time, the container cannot be loaded.

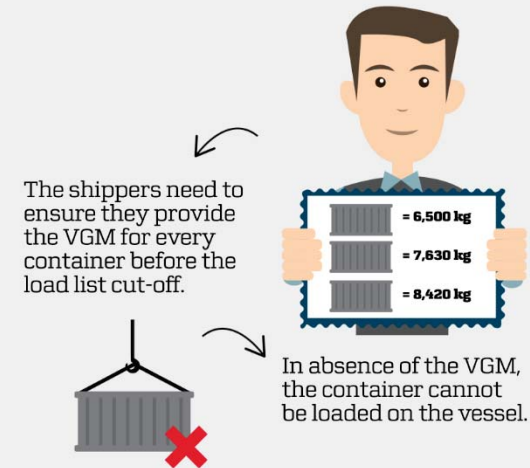
A shipper can authorise a third party to provide the VGM on their behalf.

Will the VGM show on the Bill of Lading?

No, it will not. The VGM is declared separately from the gross cargo weight entered in the Bill of Lading.

Is VGM applicable to break-bulk shipment?

No, break-bulk is exempt from the VGM requirement, unless it is transported in a container.



Does VGM influence pricing in any way?

Pricing is not done based on the VGM.

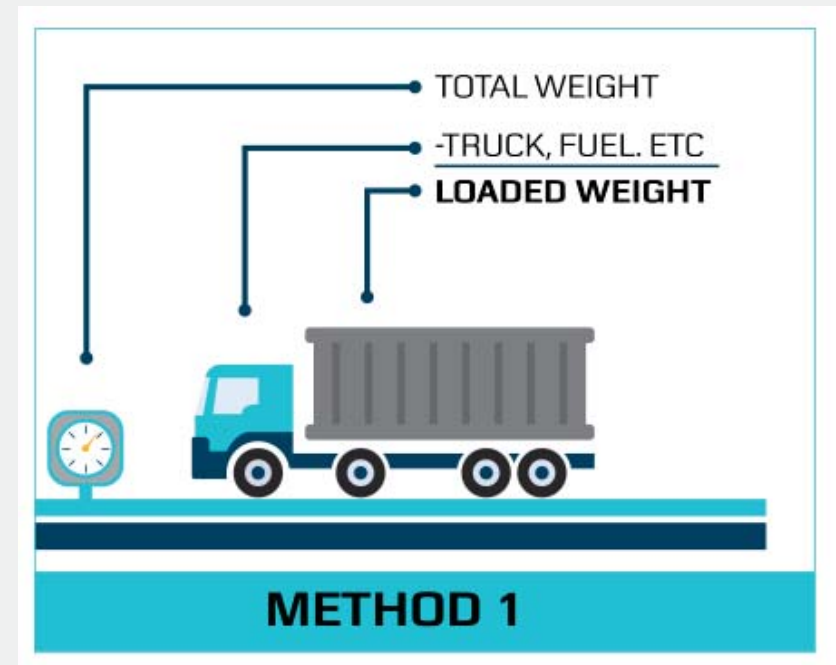
VGM Process & Methods

What are the methods of weighing the container?

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

Method 1

Weighing the fully loaded container after it has been packed and doors closed and sealed.



VGM Process & Methods

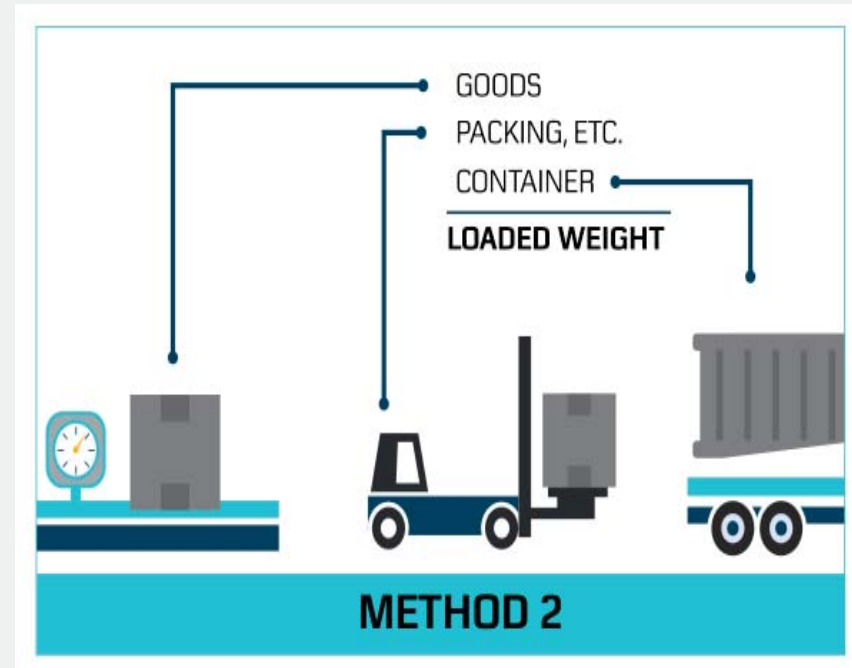
What are the methods of weighing the container?

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

Method 2

Weighing the content of the container (cargo and any packing materials) and then adding that to the tare weight of the container as indicated on its door.

Container tare weight will be available on maerskline.com for [dry](#) and [reefer](#).



VGM Process & Methods

How should shippers submit the VGM?

Shippers should preferably provide the VGM for their containers at the time of creating the Shipping Instructions (SI). The preferred method for submission of a VGM to Maersk Line is through one of the digital channels mentioned below:

- *Via our website www.maerskline.com and login through My Maersk Line portal. This solution will be available from 5 June 2016.*
- *Via EDI message for customers sending booking or shipping instructions via EDI solutions with Maersk Line.*
- *Via service portals such as GT Nexus and CargoSmart.*
- *Via API for customers having the VGM API message enabled with Maersk*

If the VGM is submitted through My Maersk Line portal, EDI, API or third party portals, a confirmation of the VGM will be sent to the shipper.

Manual methods of submission (email and fax) are acceptable but not encouraged. The established digital channels will avoid documentation errors and delays in handover of information. When a VGM is submitted manually, the name of shipper and signature is required in addition to container number and weight.



VGM Process & Methods

How will freight forwarders know that the shipper is supplying the right weight?

The shipper is solely responsible for providing the VGM. The shipping line and freight forwarder are not responsible for verifying this information.

How does the VGM implementation affect importers?

Maersk Line across its global network is closely working with local authorities, terminals and other partners, to facilitate the submission of a VGM at the port of loading. As an importer, we ask that you work with your counterparts at origin to ensure a process is in place to submit the VGM to Maersk Line, following the regulations issued by local governments.

- ▲ *Enforcement authorities in some countries have stated a 2-5% tolerance for the VGM to be considered compliant.*
- ▲ *For specific tolerances, please refer to the World Shipping Council website [here](#)*

VGM Process & Methods

What happens if a customer sends the VGM to the terminal but sends the Shipping Instructions after the loading list is finalised?

The VGM will be updated in the systems and that particular container would be part of the load list if all other criteria for loading are met.



Does a VGM need a certificate?

Maersk Line does not require a certificate at this stage. However, as per local country rules and regulations not yet in place, a certificate could be required under Method 1.

If a VGM certificate is required by local authorities, they shall provide additional information on the format.

Today, customers submit the gross cargo weight in their Shipping Instructions. In the future, will they need to submit both gross cargo weight and the VGM (including tare)?

Yes, both the gross cargo weight and the VGM must be submitted. The preferred method for submission of a VGM to Maersk Line is through one of the digital channels mentioned on page 9.

VGM Process & Methods

The VGM field will be available from 5 June 2016 on:



- ▲ My.Maerskline.com
- ▲ My.Safmarine.com
- ▲ My.Seagoline.com
- ▲ My.MCC.com.sg
- ▲ My.Sealand.com

At this time, Maersk Line and above mentioned brands, do not plan to charge shippers for using our self-service portals, nor will we charge any amendment fee if a shipper amends the VGM.

Currently, it is not possible to add the VGM for more than one container at a time. Maersk Line is reviewing options to accommodate requirement for customers shipping large volumes.

Will Maersk Line have VGM information in the Booking Confirmation?

In the Booking Confirmation, a standard text will be added stating that effective 1 July 2016, the VGM is mandatory for all shipments. We will also aim to include submission deadline.



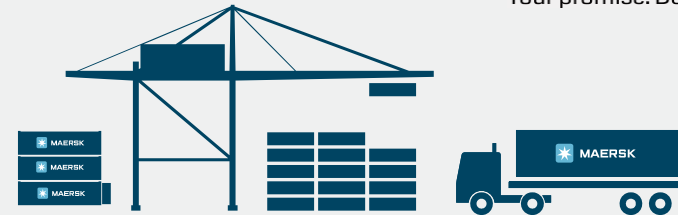


Important things to remember as a SHIPPER:

- ▶ *It is the shipper's responsibility to provide the correct VGM*
- ▶ *Maersk line will not verify the VGM*
- ▶ *Shippers should incorporate the VGM process in the shipment cycle*
- ▶ *Shippers should establish a process with their supply chain partners to integrate the weighing service, if needed*
- ▶ *Shipper should be aware that a cost might incur, if a container is admitted to the terminal without a VGM*
- ▶ *Shipper may nominate a third party to submit the VGM. Maersk Line will record the sender in our system*
- ▶ *If a shipper does not comply and provide the VGM in time, the carrier and the terminal representative will not load the containers on the vessel*
- ▶ *Penalties for non-compliance are determined by the local authorities and will vary by country*
- ▶ *Shipper's signature is not mandatory for submitting the VGM, when submitted via our website. Signature is only needed when submitting via non-electronic channels*
- ▶ *Maersk Line will follow up with the shipper, if the VGM is missing.*
- ▶ *After the container has been loaded, Maersk Line will not accept any changes to the VGM.*

VGM Cut-Offs

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What is a VGM cut-off?

As a general guidance, the VGM should be received by Maersk Line prior to the cargo gate cut-off, before loading containers on the vessel. However, given the specific requirements implemented by each port and/or terminal, the cut-off for a VGM may vary and will therefore be communicated separately by our local organisations. Therefore, Maersk Line will provide the cargo cut-off and deadlines for declaring a VGM at the time of booking via your Booking Confirmation.

What if my trucker arrives at the gate and the VGM has not been communicated to the terminal?

For terminals allowing the trucker at the gate without the VGM, the container(s) will be placed on VGM hold. All costs associated to movement at the terminal are for the shippers account. For terminals not allowing the trucker at the gate without the VGM, the trucker may be turned away until the VGM has been keyed in the terminal's system.

Individual terminal policy could vary from country to country and Marine Terminal Operator (MTO)

VGM Cut-Offs

Several possible outcomes may occur if the VGM is not provided to Maersk Line 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 entry at the gate. Additional costs may incur for the time spent outside the terminal awaiting submission of the VGM.*
- ▲ *No container will be loaded on board a vessel without a VGM, resulting in cargo delivery delays. 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 on 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.*



Tolerance levels will be defined and enforced by the relevant national authority. This varies between member states. Most of which have not yet provided information.

VGM Cut-Offs

Do containers loaded from first load port before 1 July 2016, but transhipping after 1 July, need to have a VGM in order to be loaded at transhipment ports?

According to the IMO guidance and the interpretation provided by some governments, containers need the VGM from 1 July. However, in practical terms it will be extremely difficult to abide by, since in effect it would mean that shipper and carrier together would have to set and agree on a new and much earlier time of submission of the VGM for containers to be transhipped, probably weeks in advance of 1 July.

We are working on finding a bridging solution for transhipment containers (and boxes on hold for various reasons).



In the absence of harmonisation of the SOLAS Amendment, each member state will potentially interpret and implement the VGM differently. It is therefore important that shippers check local rules and regulations.



Maersk Line and other carriers definitely prefer standardised processes as do our shipper customers. Terminals typically seek to optimise their own processes, which has led to an uneven implementation process.

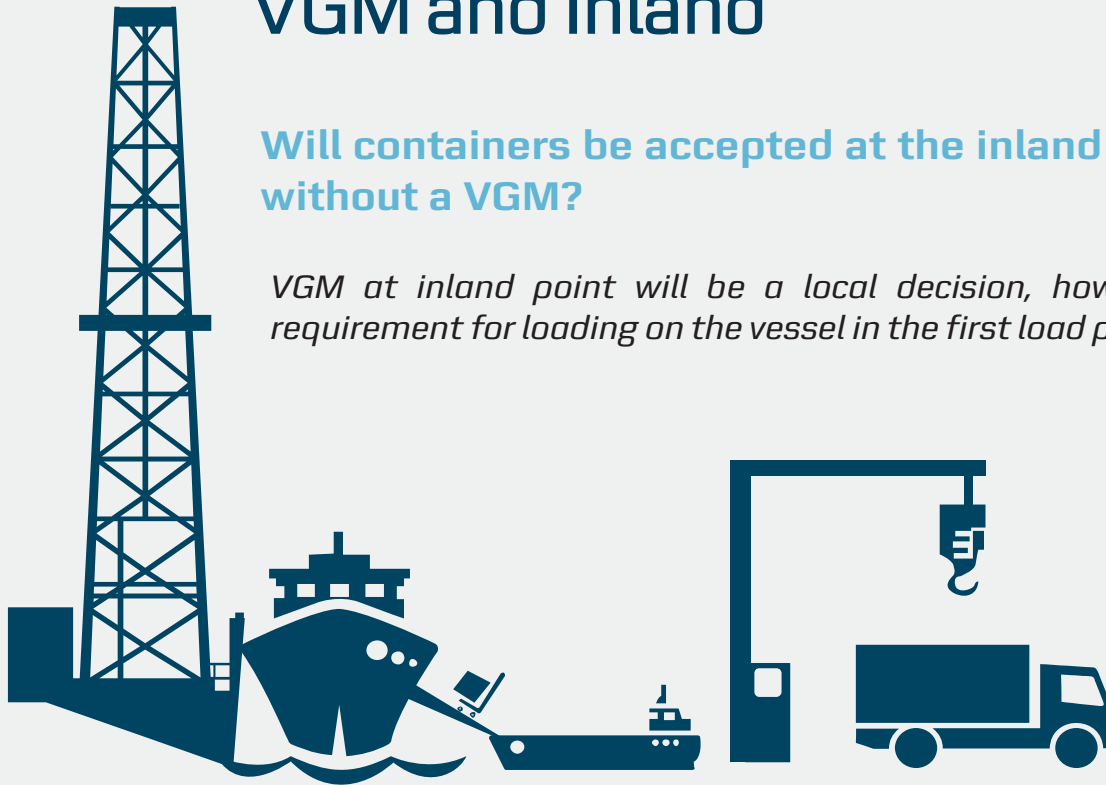
VGM and Inland

Will containers be accepted at the inland point without a VGM?

VGM at inland point will be a local decision, however the VGM will be a mandatory requirement for loading on the vessel in the first load port.

Containers will be accepted at the inland point without the VGM, but it should be submitted before load list cut-off.

The recommendation is to submit the VGM as early as possible.



“No VGM, No Gate-in” Policy

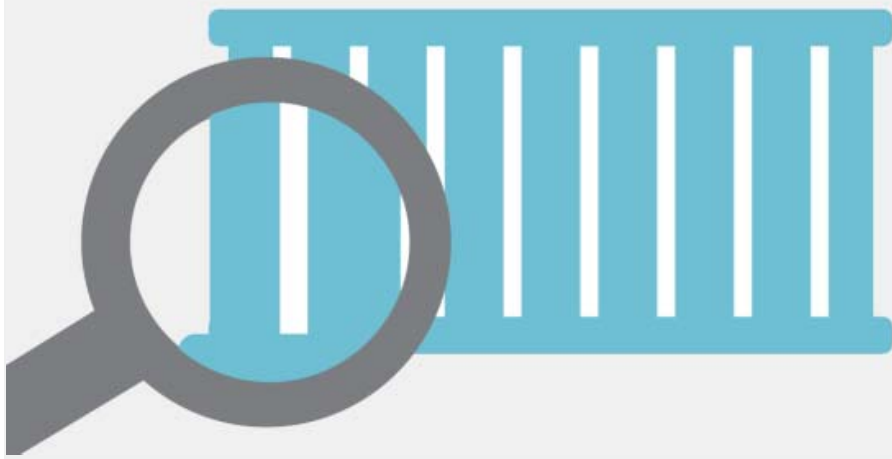
What is the “No VGM, No Gate-in” policy?

While Maersk Line 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 emphasise that the “No VGM, No Gate-in” policy is decided and enforced by the terminal and not by Maersk Line.

This policy will prevent a packed container from entering the gate in the absence of the VGM. In the event of a terminal enforcing a “No VGM, No Gate-in” policy, the VGM will need to be submitted to Maersk Line in due time before Gate-in.

The exact submission deadline will be communicated separately and on [MyMaerskline.com](https://www.mymaerskline.com) once timings have been confirmed.





Tare weights and more information on terminals

Where can I obtain the tare weight of a container?

Tare weight can be found on the container door as well as on [maerskline.com](https://www.maerskline.com), please refer to page 22.

How accurate is the container's door tare weight?

The weight indicated on the container door (CSC Plate) should be considered as accurate. Maersk Line 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 [maerskline.com](https://www.maerskline.com), please refer to page 22.

Tare weights and more information on terminals

Will any terminals offer weighing services?

We expect that many terminals may decide to offer a VGM weighing service as the 1 July implementation date gets closer. If not, shippers should use a certified weighing station outside the terminal.

Will all ocean container terminals have weighing scales in place to perform weighing?

This depends on the position taken by the terminal operator. Weighing at the ocean terminal should be seen as an exception. Shippers should seek to weigh and provide VGM prior to Gate-in at the terminal. This is done to optimize the vessel operation, minimise risk of missing the cut-off and the cost incurred by shipper from extra weighing and handling at terminals. Any VGM weighing service provided by the terminal for the shipper is at the cost of the shipper.