

IATA Cargo Claims and Loss Prevention Conference

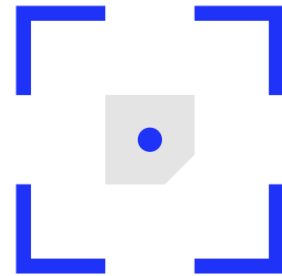
29 – 31 October 2019, Amsterdam, Netherlands





IATA Cargo Claims and Loss Prevention Conference

29 – 31 October, Amsterdam, Netherlands



Welcome Back for Day 2

Christian Piaget

Senior Manager, Cargo Border Management & Claims
IATA





#IATA_Cargo



coffee break



IATA Competition Law Compliance

Do not discuss:

- Pricing, including fares, service charges, commissions, etc.
- Bids on contracts or allocation of customers
- Geographic/Product market allocations and marketing plans, including
 - Expanding or withdrawing from markets
 - Group boycotts
 - Your commercial relations with agents, airlines or other third parties

Any discussion aimed at influencing the independent business decisions of your competitors

You will be asked to leave the meeting, and the meeting may be terminated, if the above-mentioned discussions occur.

Remember: All discussions count, even informal ones outside the meeting room!



Thank you to all our sponsors!



Shaping Europe's smartest cargo hub at Amsterdam Airport



Session on Perishables

Eric Mauroux

Global Head Perishables

Air France-KLM & Martinair





A SUSTAINABLE APPROACH TO PERISHABLES

Eric MAUROUX

Global Head of Perishables
Amsterdam, 30th October , 2019

Perishables: a solid & fast growing sector for the airfreight industry

- **Increased consumption in developed countries.**

Healthy food, super food, ready to eat

- **Emerging middle classes in developing countries.**

income growth coupled with population growth

- **Steady growth of the retail.**

Turnover grow of 6.0% per annum

- **Steady growth for cut**

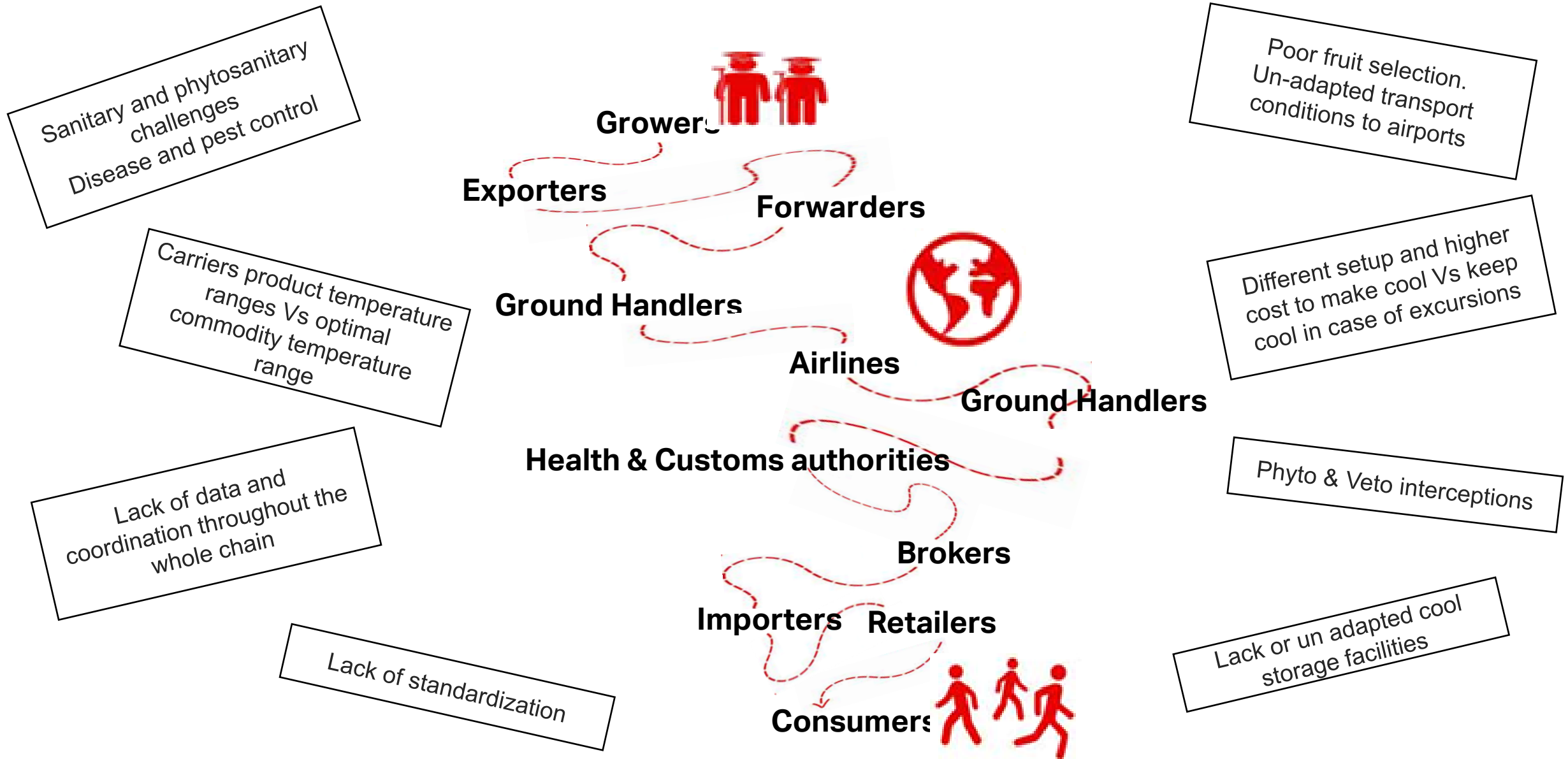
flowers: consumption In Europe & North America should grow by 20% in the next decade



Faster growth than the overall air freight industry. +2 pts of product share over the last 5 years

1st Vertical of the airfreight industry. 16% of the total airfreight tonnages

A highly fragmented supply chain with lots of inefficiencies



Reducing inefficiencies not only improves profitability but also has direct societal and environmental impacts



Societal: **Poverty** reduction, **Employment**, Education, Health. Gender parity. Food safety and security.



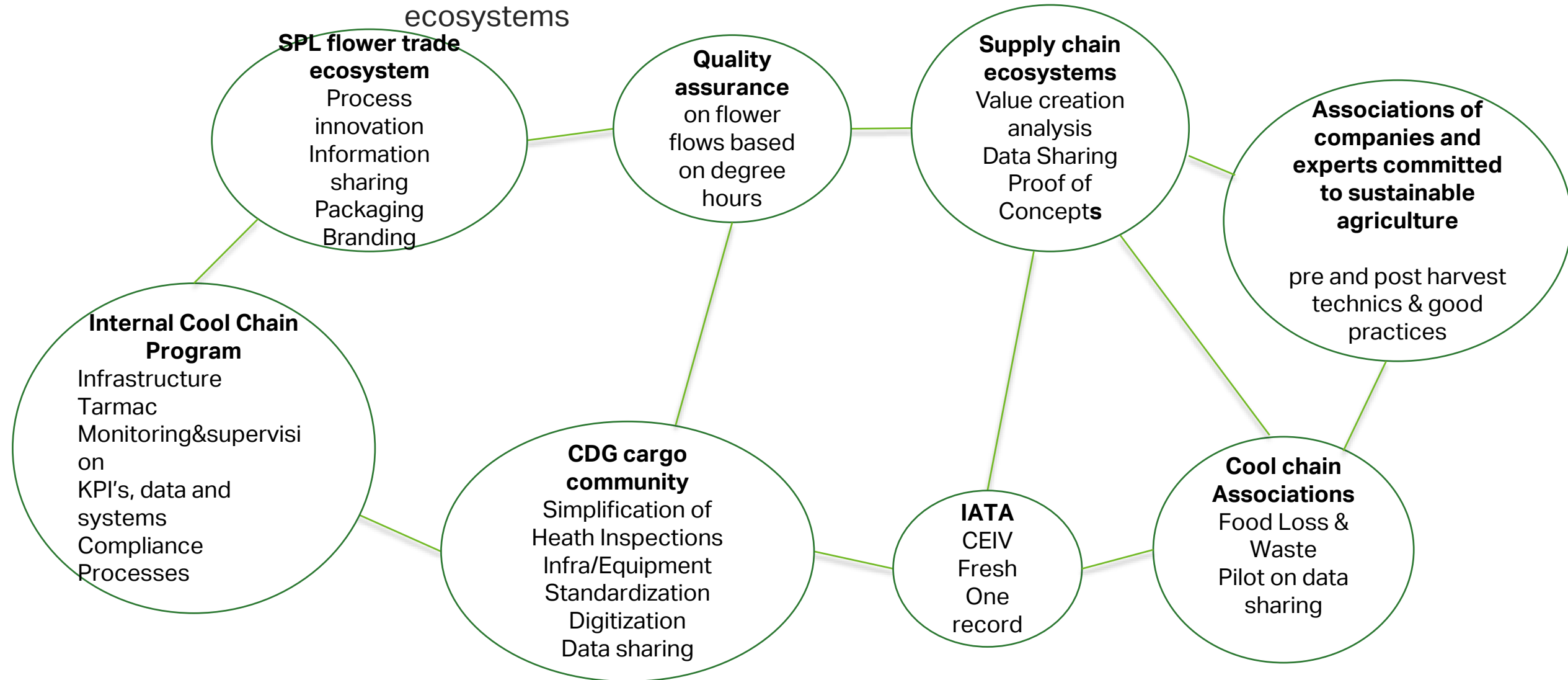
Profitability: **Fragmented** supply chain. **Lack of transparency & communication**. Slow adoption of new technologies. **Lack of knowledge of value** chains (logistics Vs agricultural). Increased and stabilized productivity. **Food Waste and Loss**



Environment: **Resource conservation** and enhancement of **environmental quality**: Water resources , Green House Gas emissions, pest-control methods, pesticides, chemicals etc. **Waste management** and procurement policy.

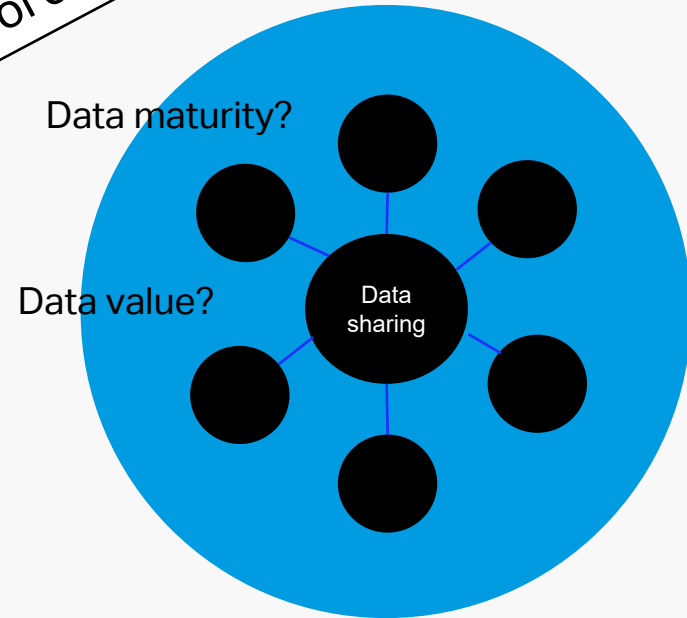
Towards a more sustainable supply chain based on effective collaboration, innovation and data as key drivers to create value

Building content thru social interactions with supply chain ecosystems



Create value thanks to data

Proactive cool chain management

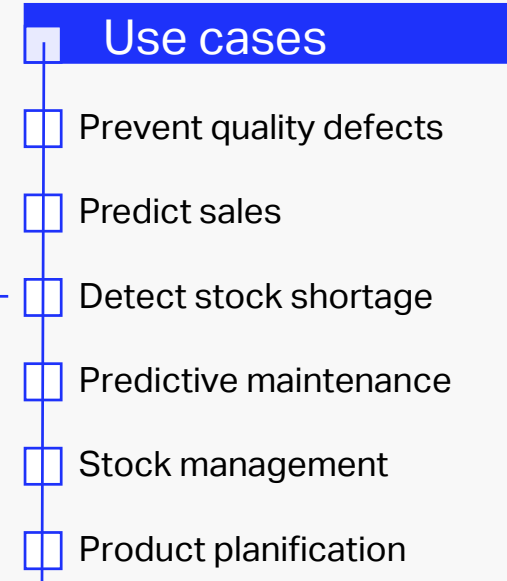


Increase the amount of data thru data sharing

\$

Data
Crunching
& machine
learning

More
predictive

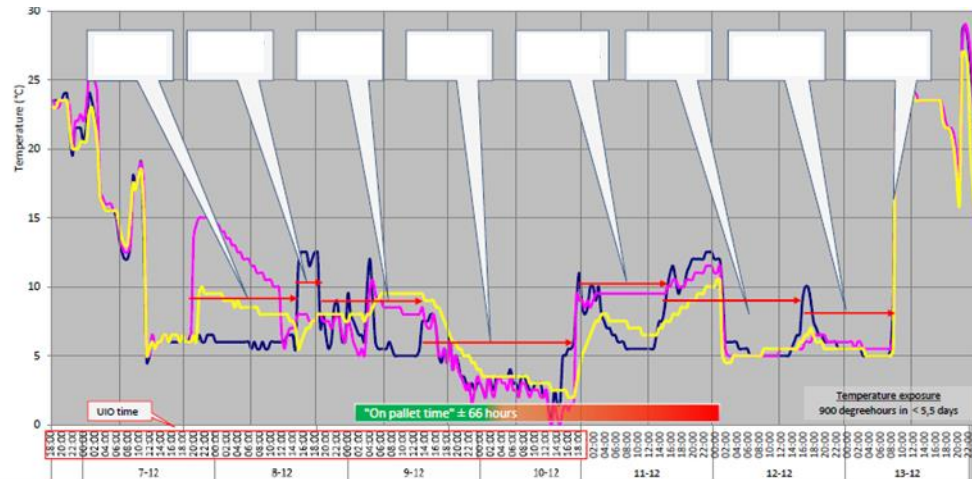
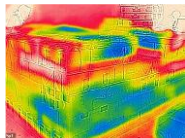
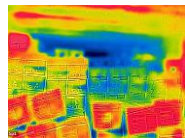
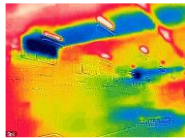


Reduce claims & related costs

enhanced consumer experience

Increased product shelf-life and reduced waste & loss.

Achieving standardization by moving towards a quality assured logistics chain based on collaboration



A quality assured logistics chain based on a degree/hour KPI including all actors from farm to fork. Powered by



- **Quality assurance of the entire chain** based on an **effective collaboration**
- **With a clear value creation for all actors: guaranteed in less than X degree/hours** which results in X days of additional vase/shelf life
- AND a major reduction **in claims as a "side catch"!**

Conclusion

Build contents thru social interactions with supply chain ecosystems
(trust, co-creation of solutions)

Implement standard and quality assurance with all stake holders
(Degree/hours throughout the chain)

Create value thanks to data (develop use cases: from operational performance to sales & risk prediction) develop effective collaboration next to contractual relations

Session on Perishables

The CEIV Fresh Experience

Nicola Caristo

Pharma & Special Products Development Manager

Alha Airport MXP S.p.A.

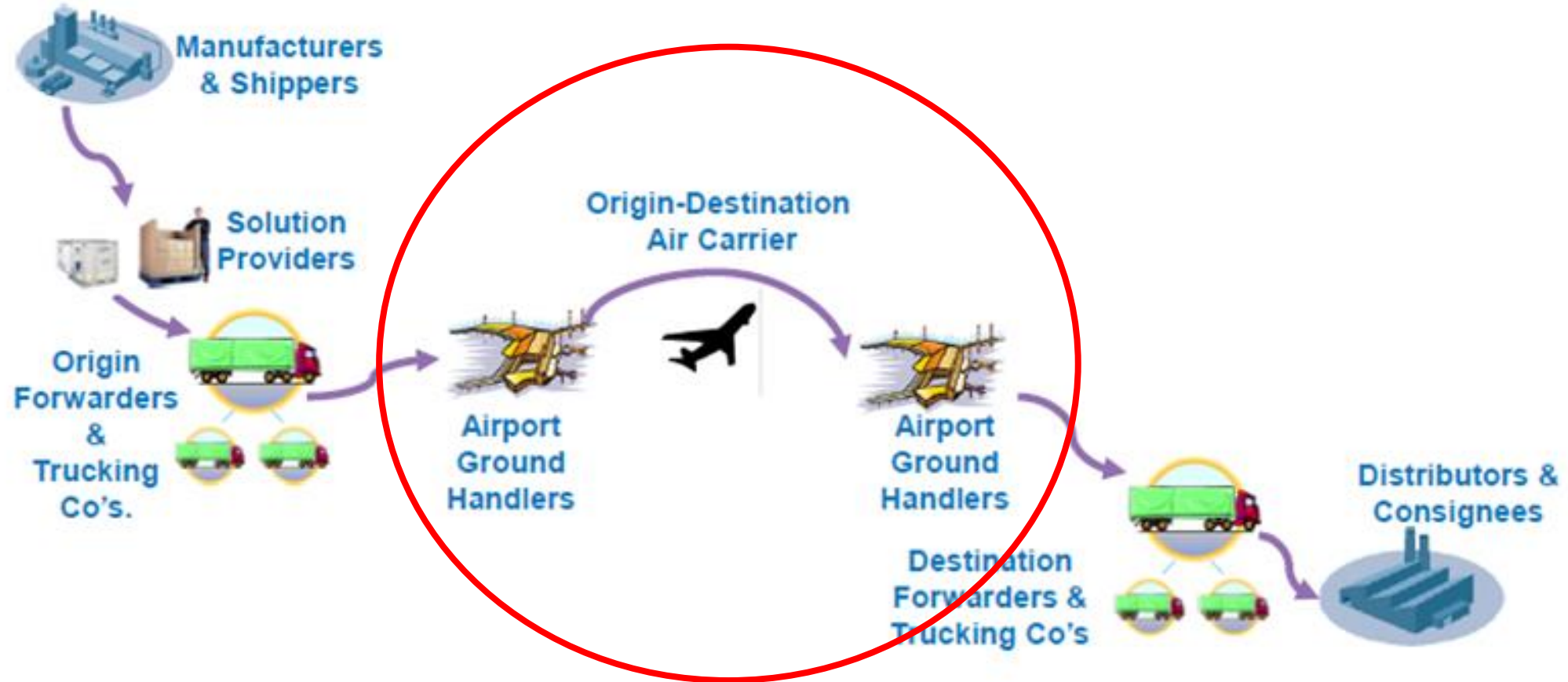


FRESH MXP EXPERIENCE

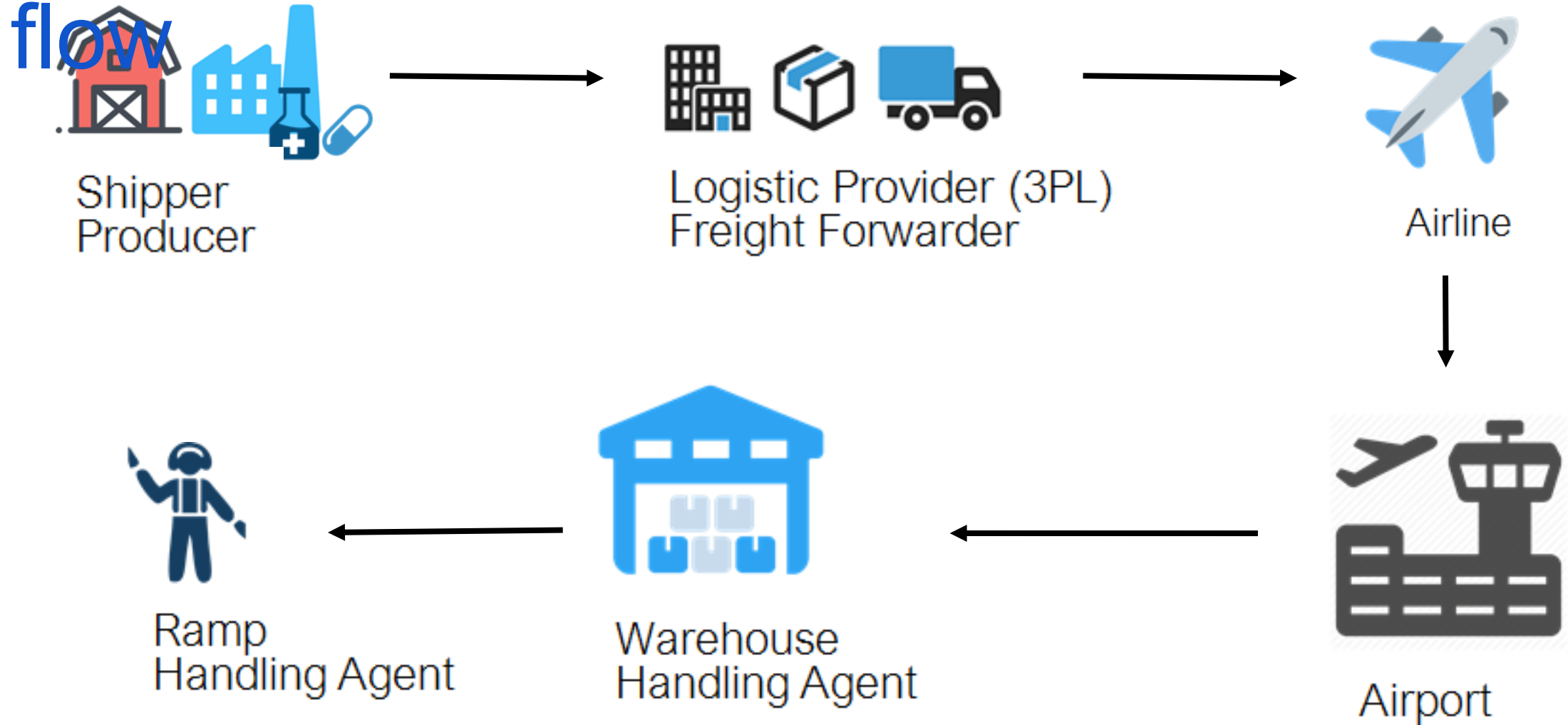
Amsterdam
30 October 2019



Air Cargo Supply Chain: Critical Control Points



Air Cargo Supply Chain: communication flow



Air Cargo Supply Chain: Speaks Shippers Language



Shipper/Producer



**Shippers
Requirements**



Airport Ramp & Warehouse Handling Agent



**Cargo
Requirements**

+



**Pharma&Fresh
Requirements**



Air Cargo Pharma & Fresh Tool: IATA CEIV

QUALITY MANAGEMENT

SUPPLIER MANAGEMENT

PERSONNEL AND TRAINING

SELF-INSPECTION

DOCUMENTATION

COMPLAINTS AND QUARANTINE

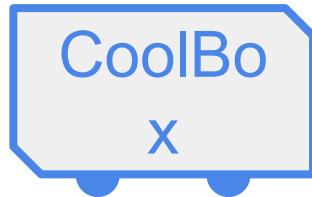
INFRASTRUCTURE
AND EQUIPMENT

OPERATION

Infrastructure and equipment

- ❑ Mapping for all Perishable Centre
- ❑ Monitoring and Alarm System upgrading and harmonization
- ❑ New HACCP pavement for Fresh Center Phyto
- ❑ New Cool Box thermo dollies for Ramp Operation

Operations - Fresh and Pharma



<<< Cool Track >>>

Pharma
ZONE

Fresh
Center
HC

Fresh
Center
NHC

Fresh
Center
PHYTO



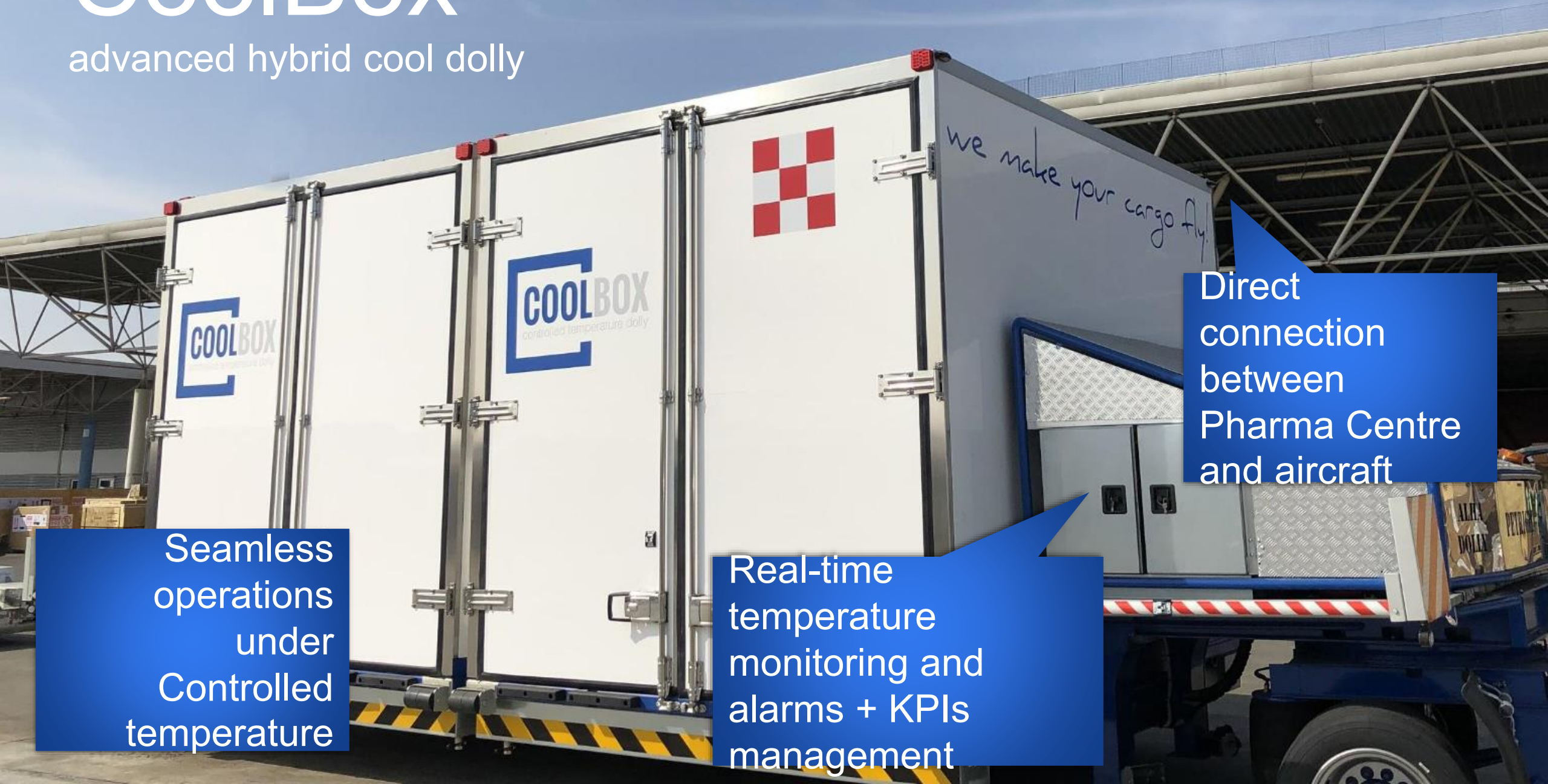
CoolBox

advanced hybrid cool dolly

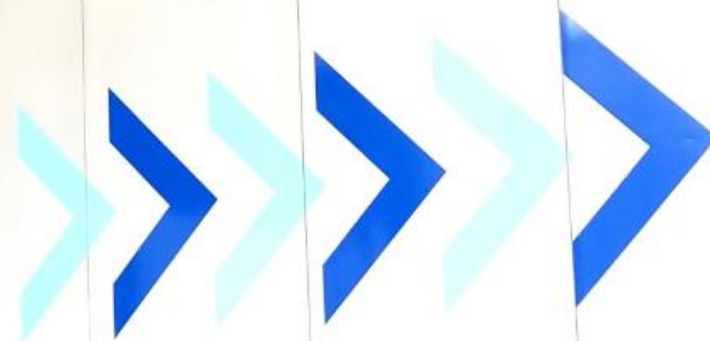
Seamless
operations
under
Controlled
temperature

Real-time
temperature
monitoring and
alarms + KPIs
management

Direct
connection
between
Pharma Centre
and aircraft



<<<<  **Cool Track**





Cool Track



PharmaZone

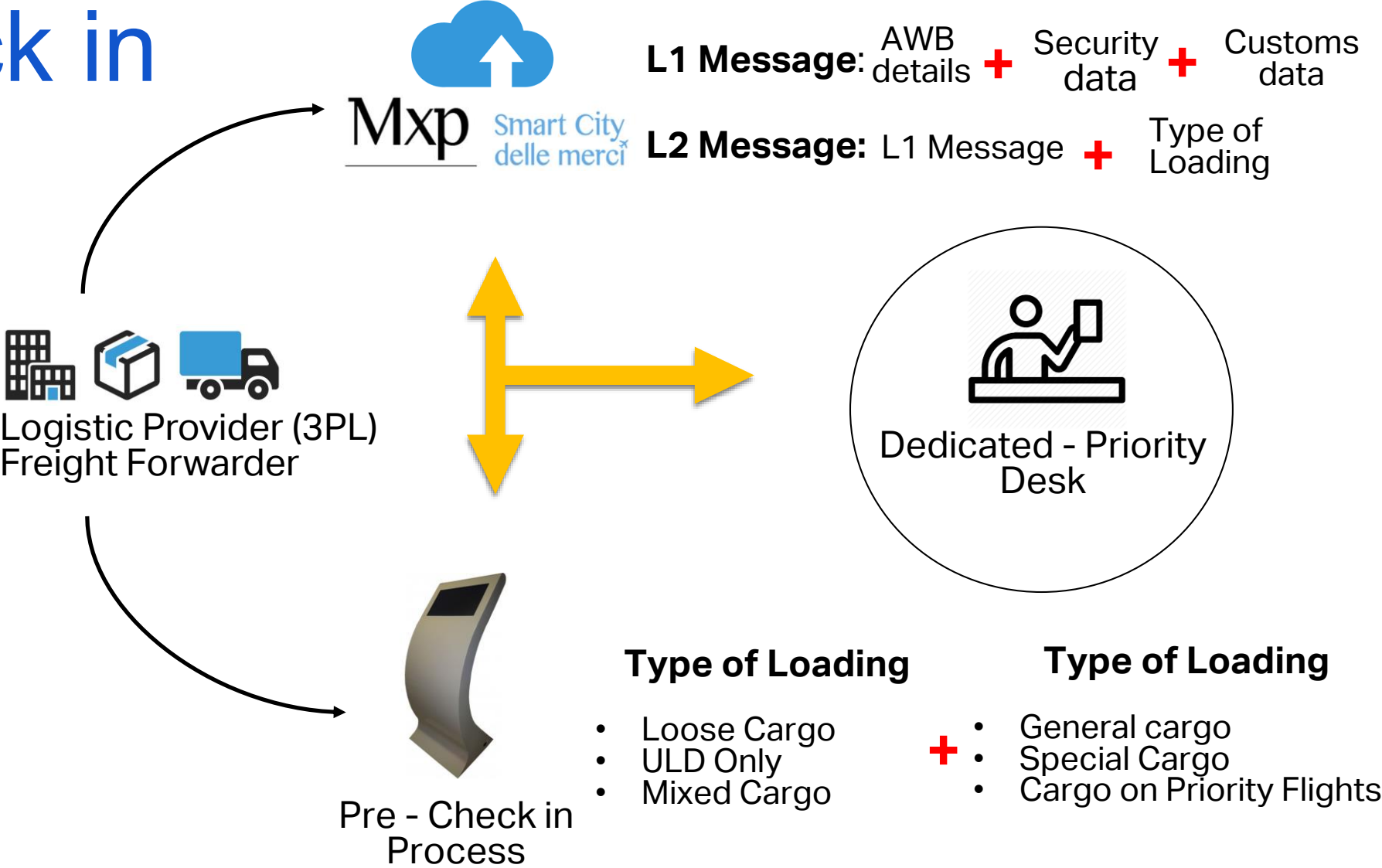


STANDARD
TECH

STANDARD
TECH



Fresh and pharma documental pre-check in





HOW TO USE THE RESERVATION SERVICE EXPORT ACCEPTANCE

1

Select a
button according to
the **NATURE OF THE
GOODS** and the
TYPE OF CARGO

**GENERAL
CARGO**



**SPECIAL
CARGO**



**CARGO ON
PRIORITY FLIGHTS**



**LOOSE
CARGO**



**ULD
ONLY**



**MIXED
CARGO**



**LOOSE CARGO
STANDARD
PRIORITY**

**LOOSE CARGO
SPECIAL
CARGO**

**LOOSE CARGO
PRIORITY
FLIGHTS**

**ULD
STANDARD
PRIORITY**

**ULD
SPECIAL
CARGO**

**ULD
PRIORITY
FLIGHTS**

**MIXED CARGO
STANDARD
PRIORITY**

**MIXED CARGO
SPECIAL
CARGO**

**MIXED CARGO
PRIORITY
FLIGHTS**

2

If you selected
SPECIAL CARGO or
PRIORITY FLIGHTS,
complete your selection
on screen number two

3

Pick up
your **TICKET**

4

Check on the
DISPLAY the match on
the **LETTER** and **NUMBER**
given to you and then
go to the specified
desk

Pharma and Fresh Operations milestones



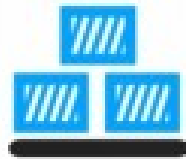
Logistic Provider (3PL)
Freight Forwarder



Dedicated Priority
Cargo Docks



Dedicated Pharma & Fresh
Storage



Dedicated Build-up Stations



All Operation steps performed via tablet

- Real time information
- KPIs controls



Dedicated
Pharma & Fresh Team

Integrated Risk Register

RISK REGISTER ALHA AIRPORT MXP (rev.3 del 01/01/2019)										
Rischi				Analisi Qualitativa				Contingency Plan e Mitigazione dei Rischi		
Cod	Categoria	Rischio Negativo	Probabilità	Impatto-Dan	Risk Rankin	Valor	Azione di risposta al rischio	Responsabile	Altre funzioni coinvolte	
73	Security / TAPA	Ambito TAPA: Sistema CCTV - Malfunzionamento/oscurame	1 improbabile	3 medio	minimo	3	Vedi Manuale di Sicurezza MXP TAPA	Asset Protection Manager Italy	Security Manager MXP	
74	Security / TAPA	Ambito TAPA: Sistema CCTV - Manomissione manuale teleca	1 improbabile	3 medio	minimo	3	Vedi Manuale di Sicurezza MXP TAPA	Asset Protection Manager Italy	Security Manager MXP	
75	Security / TAPA	Ambito TAPA: Sistema CCTV - Manomissione tramite appara	1 improbabile	7 grave	basso	7	Vedi Manuale di Sicurezza MXP TAPA	Asset Protection Manager Italy	Security Manager MXP	
71	Security / TAPA	Ambito TAPA: Sistema CCTV - Manomissione/malfunzionam	1 improbabile	10 molto grave	basso	10	Vedi Manuale di Sicurezza MXP TAPA	Asset Protection Manager Italy	Security Manager MXP	
123	Pharma & Fresh	export: Accettazione Arrivo truck ALHA monitorato	1 improbabile	1 lieve	minimo	1	Operation Pharma SOP	Operations Manager	Facility Manager / Pharma Manager	
124	Pharma & Fresh	export: Accettazione Documentale	1 improbabile	3 medio	minimo	3	Operation Pharma SOP	Operations Manager	Facility Manager / Pharma Manager	
126	Pharma & Fresh	export: Accettazione fisica merce sfusa non sicura	2 poco probabile	7 grave	medio	14	Operation Pharma SOP	Operations Manager	Facility Manager / Pharma Manager	
125	Pharma & Fresh	export: Accettazione fisica merce sfusa sicura	1 improbabile	3 medio	minimo	3	Operation Pharma SOP	Operations Manager	Facility Manager / Pharma Manager	
128	Pharma & Fresh	export: Accettazione fisica ULD (camion con LD3 Pharma)	1 improbabile	3 medio	minimo	3	Operation Pharma SOP	Operations Manager	Facility Manager / Pharma Manager	
127	Pharma & Fresh	export: Accettazione fisica ULD (camion con PLT)	1 improbabile	7 grave	basso	7	Operation Pharma SOP	Operations Manager	Facility Manager / Pharma Manager	
134	Pharma & Fresh	export: Allineamento ULD	2 poco probabile	7 grave	medio	14	Operation Pharma SOP	Operations Manager	Facility Manager / Pharma Manager	
129	Pharma & Fresh	export: Finalizzazione documentale Accettazione Export	1 improbabile	1 lieve	minimo	1	Operation Pharma SOP	Operations Manager	Facility Manager / Pharma Manager	
132	Pharma & Fresh	export: Pallettizzazione, Allestimento ULD	2 poco probabile	7 grave	medio	14	Operation Pharma SOP	Operations Manager	Facility Manager / Pharma Manager	
131	Pharma & Fresh	export: Pallettizzazione, Booking Volo	1 improbabile	1 lieve	minimo	1	Operation Pharma SOP	Operations Manager	Facility Manager / Pharma Manager	
130	Pharma & Fresh	export: Stoccaggio	2 poco probabile	7 grave	medio	14	Operation Pharma SOP	Operations Manager	Facility Manager / Pharma Manager	
133	Pharma & Fresh	export: Supervisione, Finalizzazione Volo	1 improbabile	1 lieve	minimo	1	Operation Pharma SOP	Operations Manager	Facility Manager / Pharma Manager	
82	Pharma & Fresh	import: Apertura ULD	2 poco probabile	3 medio	basso	6	Operation Pharma SOP	Operations Manager	Facility Manager / Pharma Manager	
83	Pharma & Fresh	import: Istruzioni volo a posteriori (gestione documentale A	1 improbabile	1 lieve	minimo	1	Operation Pharma SOP	Operations Manager	Facility Manager / Pharma Manager	
85	Pharma & Fresh	import: Istruzioni volo a posteriori (gestione documentale n	2 poco probabile	1 lieve	minimo	2	Operation Pharma SOP	Operations Manager	Facility Manager / Pharma Manager	
79	Pharma & Fresh	import: Preparazione istruzioni volo preventive	1 improbabile	1 lieve	minimo	1	Operation Pharma SOP	Operations Manager	Facility Manager / Pharma Manager	
81	Pharma & Fresh	import: Ricezione ULD	2 poco probabile	3 medio	basso	6	Operation Pharma SOP	Operations Manager	Facility Manager / Pharma Manager	
86	Pharma & Fresh	import: Ritiro Merce	1 improbabile	1 lieve	minimo	1	Transportation SOP	RFSS Manager	Facility Manager / Pharma Manager	
122	Pharma & Fresh	import: Ritiro Merce (PLT)	1 improbabile	7 grave	basso	7	Operation Pharma SOP	Operations Manager	Facility Manager / Pharma Manager	
121	Pharma & Fresh	import: Ritiro Merce (sfuso + LD3)	1 improbabile	1 lieve	minimo	1	Operation Pharma SOP	Operations Manager	Facility Manager / Pharma Manager	
80	Pharma & Fresh	import: Stoccaggio Sfuso	1 improbabile	3 medio	minimo	3	Operation Pharma SOP + Standard Tech St	Operations Manager	Security Manager / Pharma Manager	
84	Pharma & Fresh	import: Stoccaggio T/ULD	2 poco probabile	7 grave	medio	14	Operation Pharma SOP	Operations Manager	Facility Manager / Pharma Manager	

Events Register: description and corrective actions

Informazioni cronologiche	Indirizzo email	Tipologia merce:	Risk Ranking	Tipo di evento	Data inizio	Data fine	Descrizione evento	Conseguenze	Azione correttiva
3/14/2019 10:36:00	marco.gambaro@	Pharma			21/01/2019	23/01/2019	rilevata deviazione temperatura; lavoro: nessuna, deviazione temperatura non dip	non necessaria	
3/14/2019 10:48:21	marco.gambaro@	Pharma			23/01/2019	14/02/2019	blocco link per visualizzazione da remc Mancata visualizzazione dati		Contattato forn
3/14/2019 10:59:07	marco.gambaro@	Pharma			26/02/2019	28/02/2019	rilevata deviazione temperatura, lavoro: nessuna, deviazione temperatura non dip	non necessaria	
3/14/2019 11:02:37	marco.gambaro@	Pharma			07/03/2019	08/03/2019	verifica gestione PIL da spot check e fine nessuna, lavorazione alfa corretta		non necessaria
3/14/2019 11:07:51	marco.gambaro@	Pharma			12/03/2019	13/03/2019	rilevata deviazione temperatura; lavoro: nessuna, deviazione temperatura non dip	non necessaria	
3/15/2019 12:17:10	marco.gambaro@	Pharma			12/03/2019	14/03/2019	lamentate anomalie a destino, pare con nessuna, deviazione temperatura non dip	non necessaria	
3/29/2019 10:26:15	marco.gambaro@	Perishable			20/03/2019	25/03/2019	rilevata deviazione temperatura a dest nessuna, deviazione temperatura non dip	non necessaria	
5/2/2019 14:32:20	marco.gambaro@	Pharma			23/04/2019	24/04/2019	rilevata deviazione temperatura; lavoro: nessuna, deviazione temperatura non dip	non necessaria	
5/28/2019 16:16:39	marco.gambaro@	Pharma	medio	export: Alli	03/05/2019	06/05/2019	eccedute tempistiche di allineamento (innalzamento della temperatura durante il analisi della		
6/3/2019 12:38:42	marco.gambaro@	Perishable			30/05/2019	31/05/2019	rilevata deviazione temperatura; lavoro: nessuna, deviazione temperatura non dip	non necessaria	
6/7/2019 11:24:16	marco.gambaro@	Pharma	minimo	export: Ac	31/05/2019	04/06/2019	errata introduzione dei 2 colli della spe rilevata deviazione di temperatura dopo l'evento rileva		
6/25/2019 8:54:55	marco.gambaro@	Pharma			22/06/2019	23/06/2019	spedizione allestita su pkc99538SU e escursione di temperatura per la prolunga	non necessaria	
6/25/2019 8:56:50	marco.gambaro@	Pharma			22/06/2019	23/06/2019	spedizione allestita su pkc10001SU e escursione di temperatura per la prolunga	non necessaria	

Events Register: follow-up and preventive actions

	Analisi delle cause	Azione preventiva	Costo associato all'evento (in €)	prefisso AWB	suffisso AWB	HAW B	Colli	Kgs	azione preventiva	responsabile intervento:	data intervento:	intervento entro il:	esito intervento:
1													
2	aria	non necessaria		176	97620202		1	38.1					
3	IT failure	necessaria							da accertare con il fornitore: problematica di com	pharma manager e f	24/01/2019	24/03/2019	sì
4	aria	non necessaria		176	92995206		1	49.1					
5	aria	non necessaria		172	33704226		92	243.8					
6	aria	non necessaria		176	06033042		1	232					
7	aria	non necessaria		180	25259415		9	26.5					
8	aria	non necessaria		607	84935476		2	1129					
9	aria	non necessaria		176	06086135		1	29					
10	w/h staff failure	da valutare		176	06020081		3	711					
11	aria	non necessaria		014	30927153		3	717					
12	errato inserim	necessaria		172	33704565		2	278	sessione training PIL per staff office e wh coinv	PHARMA Manager	10/06/2019	10/07/2019	
13	aria	non necessaria		555	15689435		12	141					
14	aria	non necessaria		555	19392483		3	42					

Thank you !

www.alhagroup.com

Session on Perishables Continued....

Edwin Kalischnig

Board Member

Cool Chain Association





The Perishable Session





Edwin Kalischnig

Internet of Things veteran (15+ years) with a passion for using innovative technologies to deliver business value

Board Member of the Cool Chain Association

The CCA is the community for Cool Chain Professionals, providing Thought Leadership, Networking and Results



CEO of Xtreme Technologies

Linking the World to the Web
Providing Consulting Services and advanced Cool Chain Logistics Solutions



**“Without Data you’re
Just a Guy with an Opinion”**



Temperature is Key for Vase Life

- ❖ After cutting flowers continue to give off heat
- ❖ Post-harvest cooling is essential
- ❖ **Temperature over time is a key variable**
- ❖ Measuring “Degree-hours”
- ❖ Sharing information throughout the Cool Chain



39





1 Day = 24 hours
Temperature at your home is 21 °C

500 Degree-hours

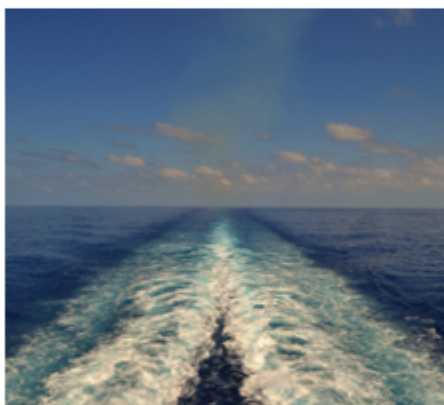
“Energy” per Day

7 Days “Vase Life Guarantee”

3.500 Degree-hours “budget” left after customer delivery



Road



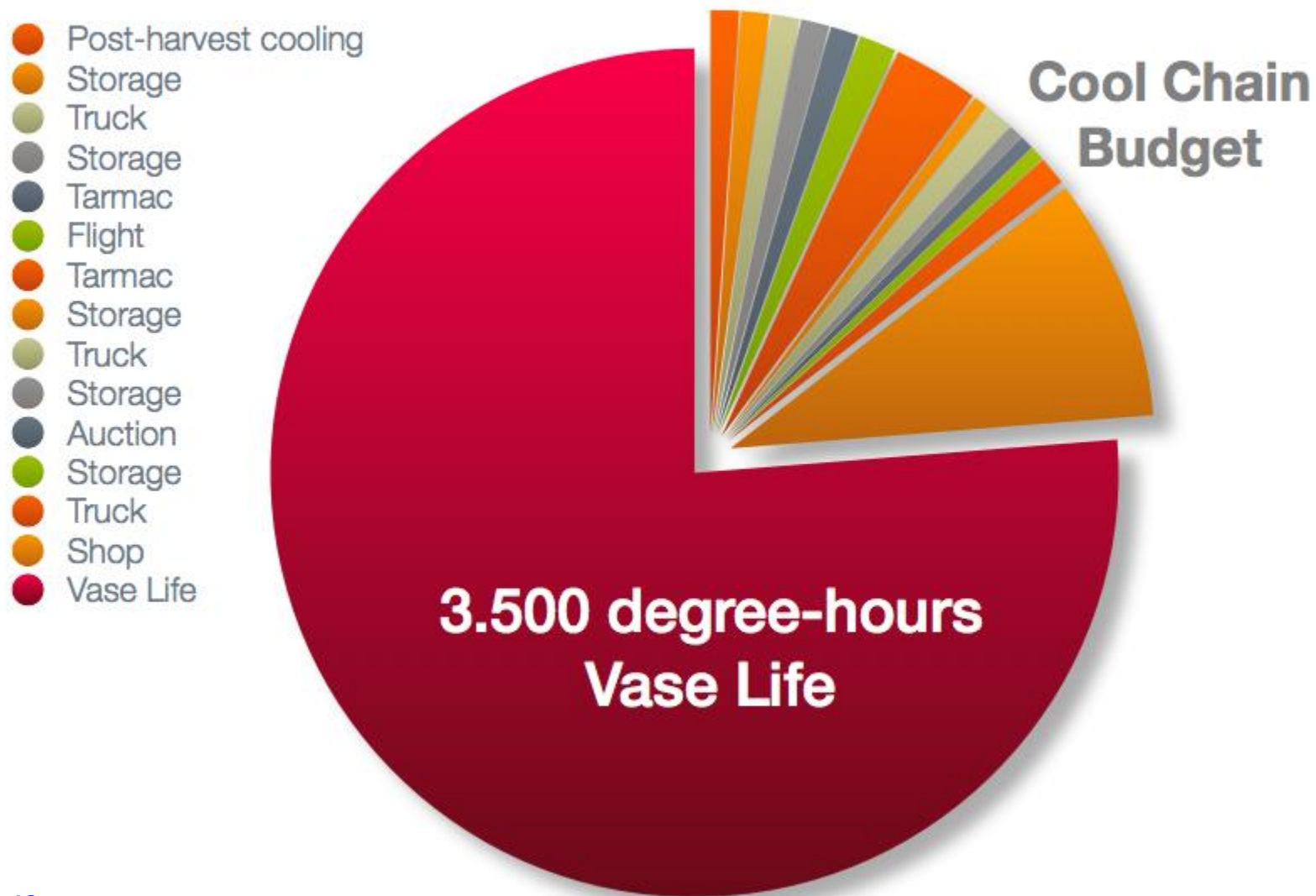
Ocean



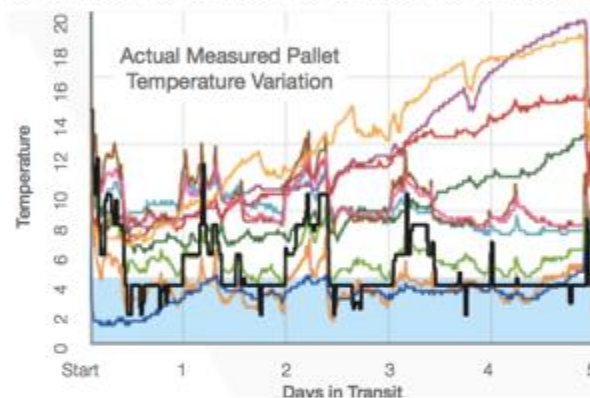
Air

Ideal Temperature
for Storage & Transportation:
Between 0-2 °C

Total Budget: 4.000 degree-hours



Each step in the Cool Chain can budget their required/allowed number of Degree-hours



Cloud-Based Solutions by a Trusted 3rd Party ... or

1. Establishing electronic connections between non-adjacent trading partners
2. Establishing trust between these trading partners
3. Sharing required data without inadvertently exposing proprietary information
4. Reduce the potential activity required of trading partners
5. Designing for expansion beyond compliance
6. Funding the architecture



IATA Initiative: “Interactive Cargo” 1/2

WHAT DOES IT MEAN ?

- ❖ Cargo ‘says’ it’s complete, under which circumstances, where it is and if it’s fine
- ❖ Safe/secure, data transparency, end-to-end connectivity, actively telling how it feels and what it needs at all times
- ❖ Enabling visibility (for all stakeholders) and remote control
- ❖ Integrated solutions, ‘visible’ for all stakeholders, can access and exchange information to potentially trigger process & tech
- ❖ Linking hardware, communication, software, security & standards



IATA Initiative: “Interactive Cargo” 2/2

KEY OUTCOMES OF THE KICK-OFF MEETING:

- ❖ Good vision for what Interactive Cargo means for the industry and what is required/needed to make ‘cargo talk’
- ❖ Clear link with Smart ULD - close team collaborations
- ❖ Strong need from Air Cargo Customers to get better visibility and transparency about their shipments
- ❖ Solutions already exist but a regulatory framework, guidance materials and tools are necessary for efficient & safe operations
- ❖ A number of challenges were identified, need to be addressed
- ❖ We can't afford to let it evolve by itself: **Standards & Guidelines**



Next Steps

Collaborate

Creation of the Interactive Cargo Task Force (ICTF)

Development by the ICTF of
Standards & Guidance Materials
to 'Make Cargo Talk'

Modernize

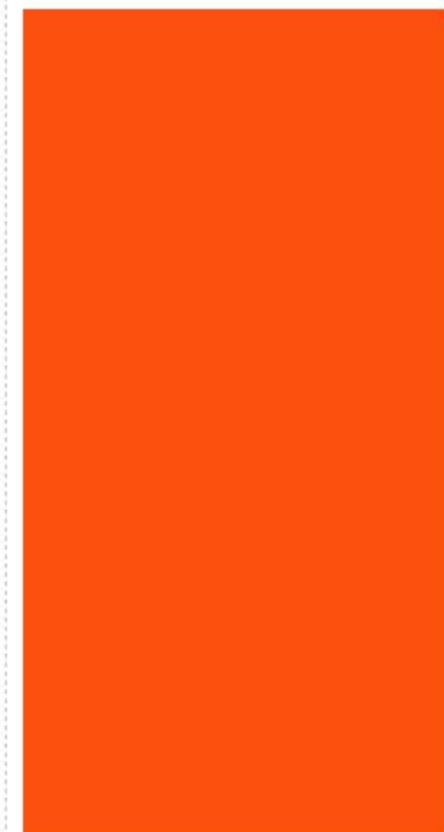
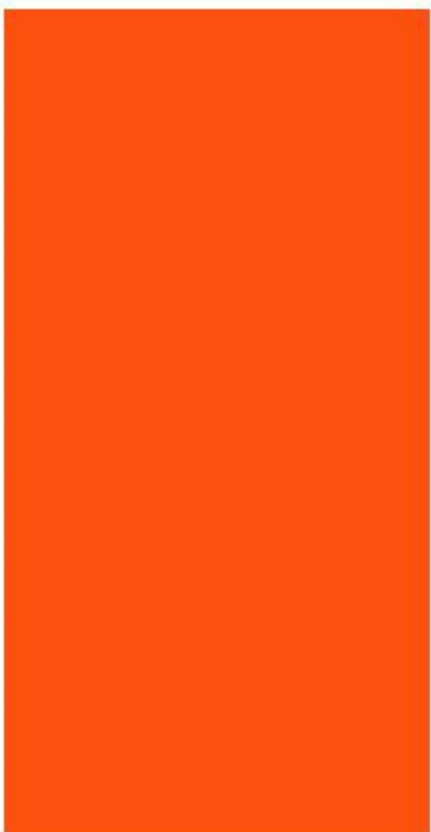
Temporary ICTF established as a Sub-Group of the Cargo Operations & Technology Board

20 Elected Members

With Observers and Strategic Partners

Connect





For any questions, please feel free to contact me

ek@xtreme-technologies.com



edwin.kalischnig@coolchain.org

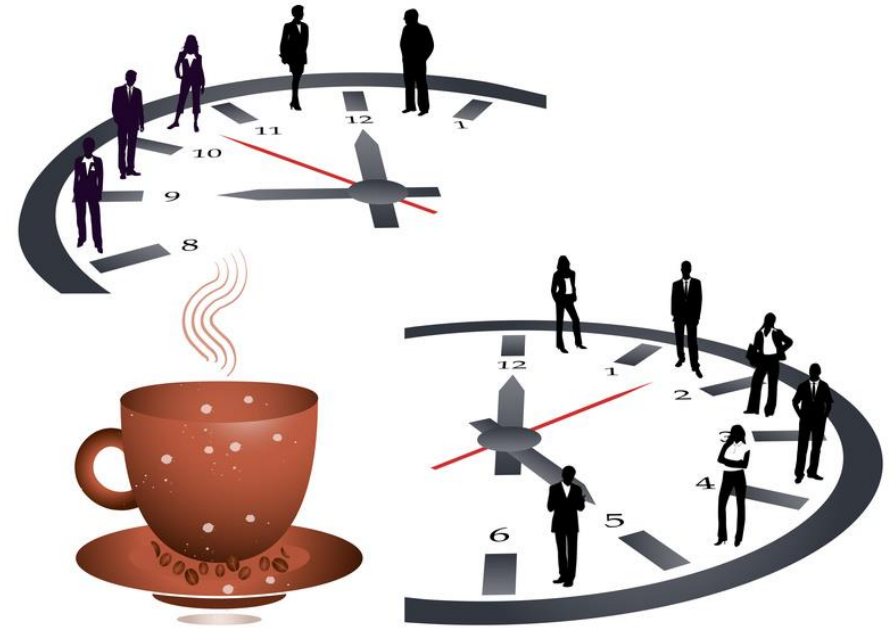
Session on Perishables

Questions & Answers



Networking break 10:30 – 11:00

Kindly sponsored by;



Judges Corner

Moderator:

Bart Banino

Partner

Condon & Forsyth

Panelists:

Reem Bangina, Senior Attorney, Kennedys

Holger Burskens, Partner, Arnecke Sibeth Dabelstein

Pierre Fruhling, Partner Aerospace, Holman Fenwick Willan

Jiri Hornik, Partner, Kocian Solc Balastik



Networking Lunch 12:30 – 14:00



Kindly sponsored by;



iSHARE



IATA Cargo Claims and Loss Prevention Conference

Case Studies

- 1. The Spears That Didn't Pass The "Smell Test"*
- 2. Football "Remains" A Most Popular Sport*
- 3. Oktoberfest In The Shire Down Under*



Bart Banino:

Partner, Condon & Forsyth LLP

Frank Montbach:

Partner, Mound Cotton Wollan & Greengrass LLP

Dan Soffin:

International Cargo Advisory Services



IATA Cargo Claims and Loss Prevention Conference

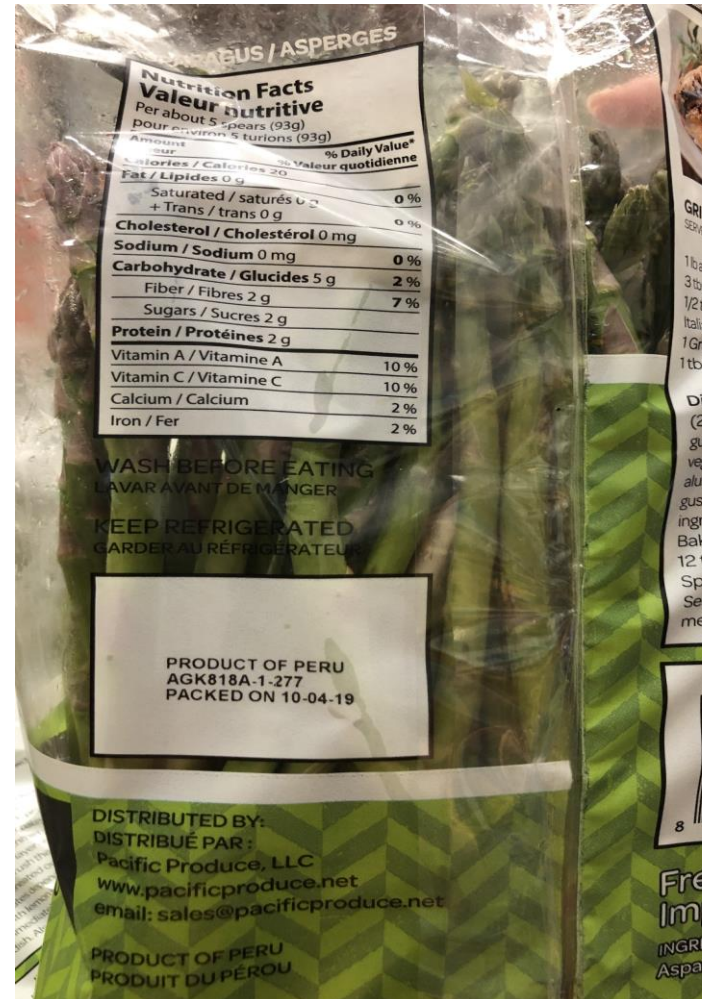
29 – 31 October, Amsterdam, Netherlands

Case Study

***"The Spears That Didn't
Pass The Smell Test"***



"The Spears That Didn't Pass The Smell Test"



Photos: 11 October 2019 1:00 PM

Most Common Claims

- Air shipped responsible for claims
 - Perishables
 - Fruits 17.1%
 - Fish & seafood 13.6%
 - Cut flowers 10.2%
 - **Vegetables** **9.1%**
 - Meat & meat products 9.1%
 - 59.1%
 - Vegetables
 - **Asparagus** **37.5%** (of all vegetables shipped)

Source: IATA Perishable Cargo Regulations 18th Edition 2019

Most Common Claims

- Most common reasons for claims
 - Appearance 33.3%
 - Color 7.4%
 - Texture 3.7%
 - Odor 11.1%
 - Bruises 11.1%
33.3%
 - Decay 22.2%
 - Damaged packaging 21.7%
77.2%

Source: IATA Perishable Cargo Regulations 18th Edition 2019

Cargo Services Resolution CSR 622

"...acceptance, packing and handling of Perishables for transportation by air shall be in accordance with the principles and provisions of the IATA Perishable Cargo Regulations Manual (PCR)..."

PCR Key Principles and Provisions

1.3 Carrier Responsibilities

4.1 No guarantee that carrier can maintain stated temperature environment through the entire transportation

6.1.4 Risk Management in Perishables Handling

- Preconditioning and preparation for carriage at shipper's site
- Transportation to airport
- Reception at airport
- Storage at airport
- Ground operations
- Air transport
- Pickup and transfer to consignee's site

Source: IATA Perishable Cargo Regulations 18th Edition 2019

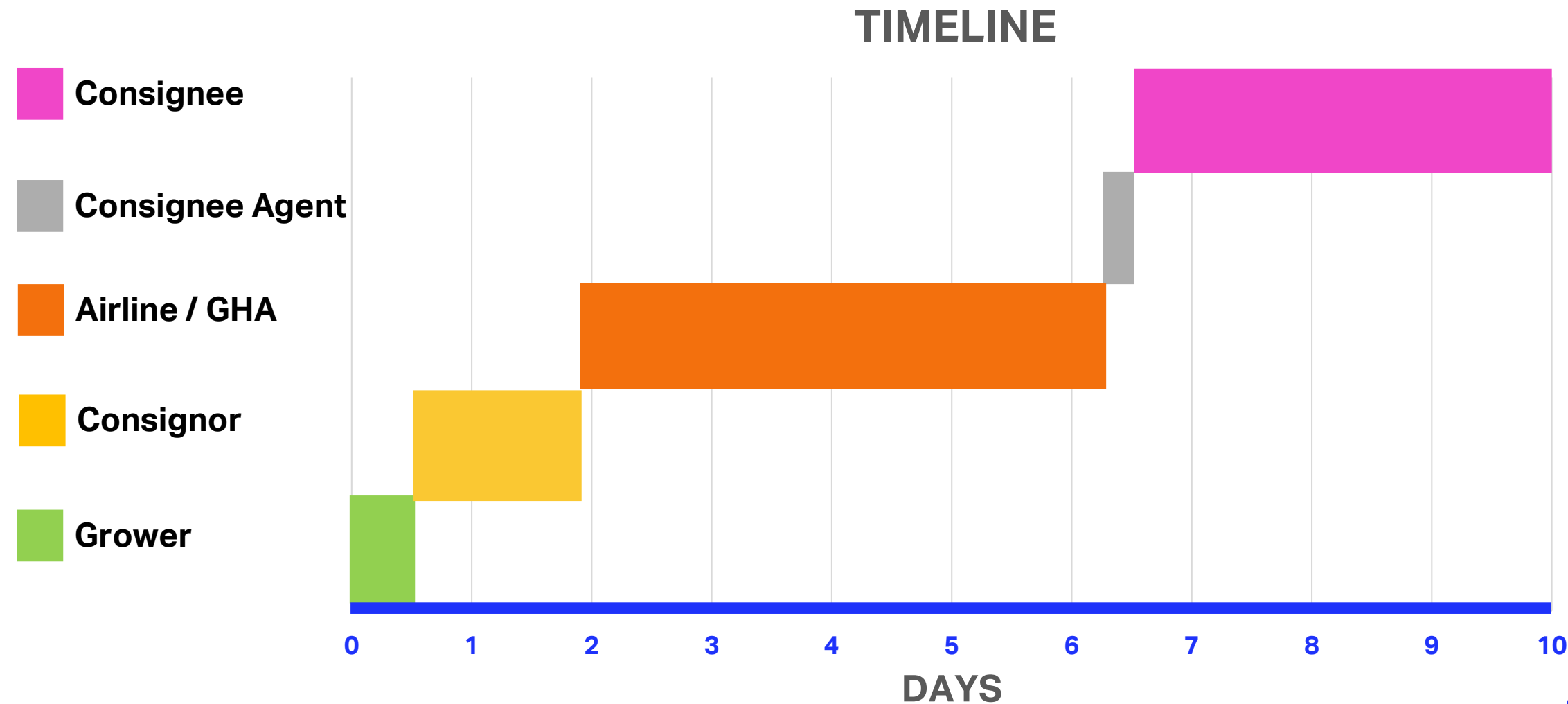
PCR Key Principles and Provisions

6.3.3 Packaging of Perishable Shipments

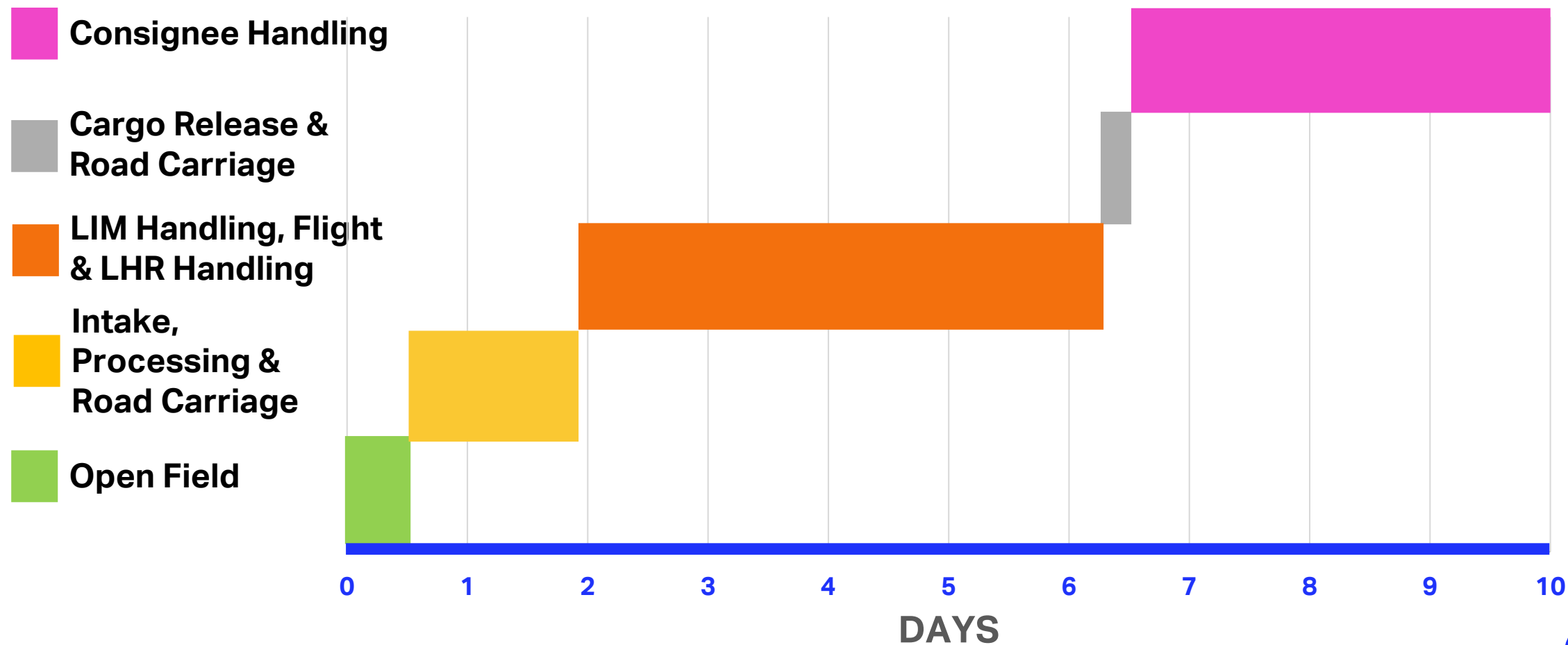
"...the carrier will not be able to assess the precise quality and condition of the perishable commodity during the acceptance process..."

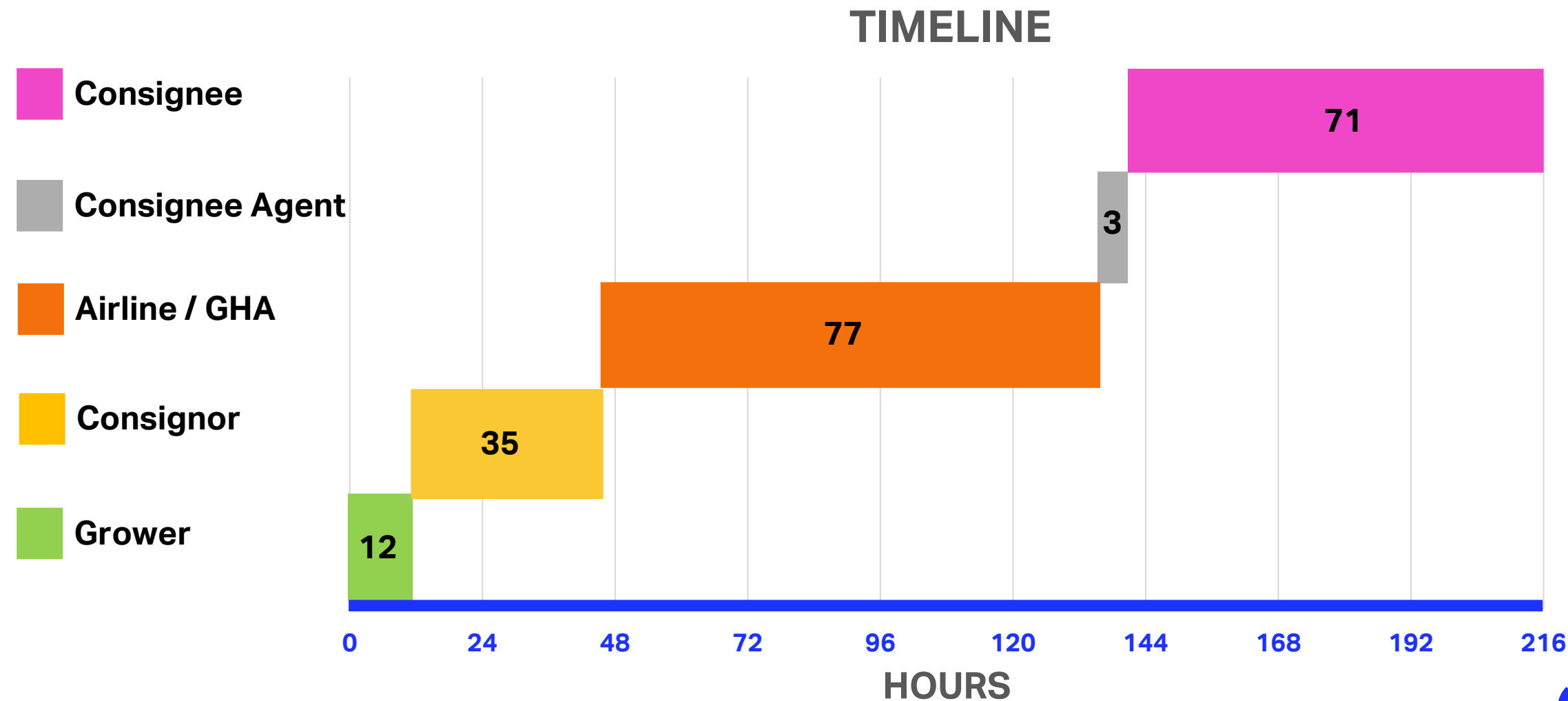
6.4.3.1.2 Types of ULDs

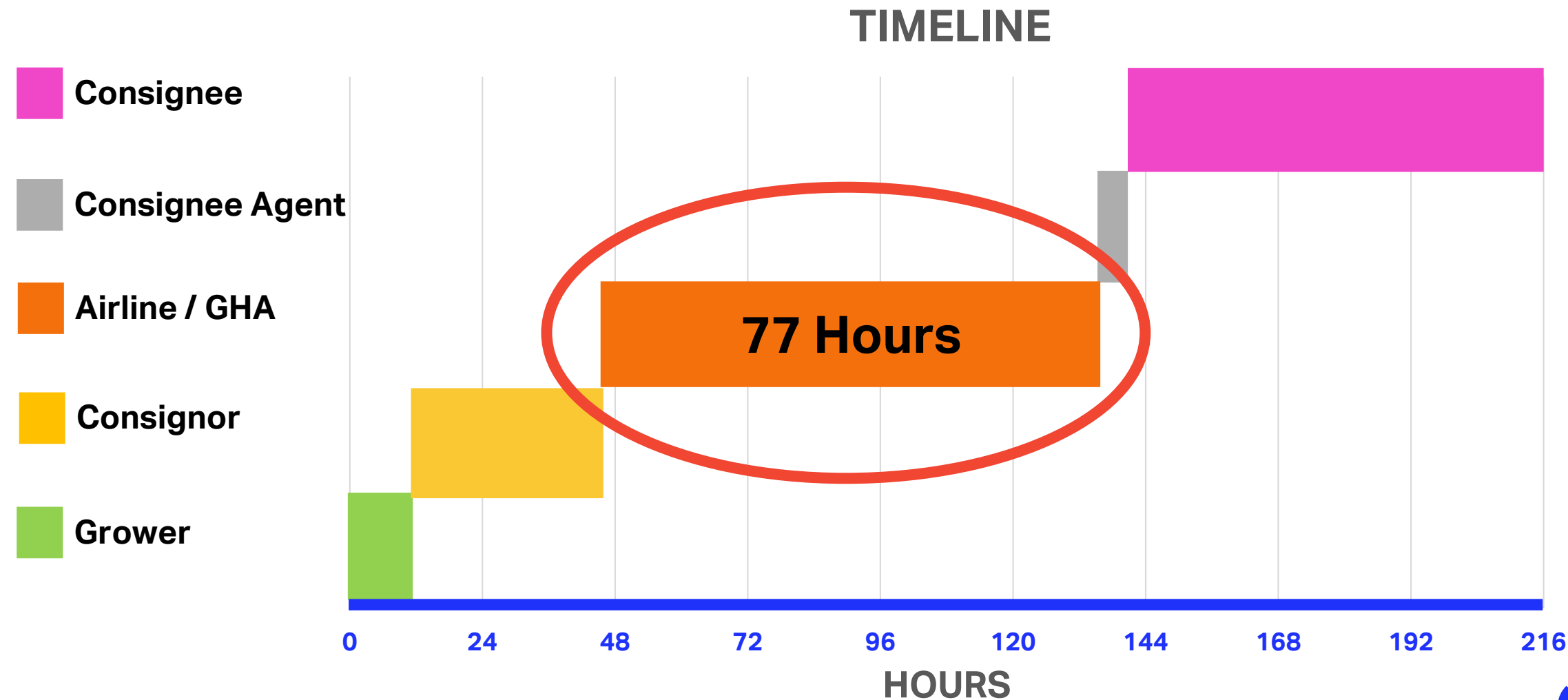
"Pallets ...offer the greatest area of exposure to environmental conditions (least protection) amongst all of the ULD types used..."



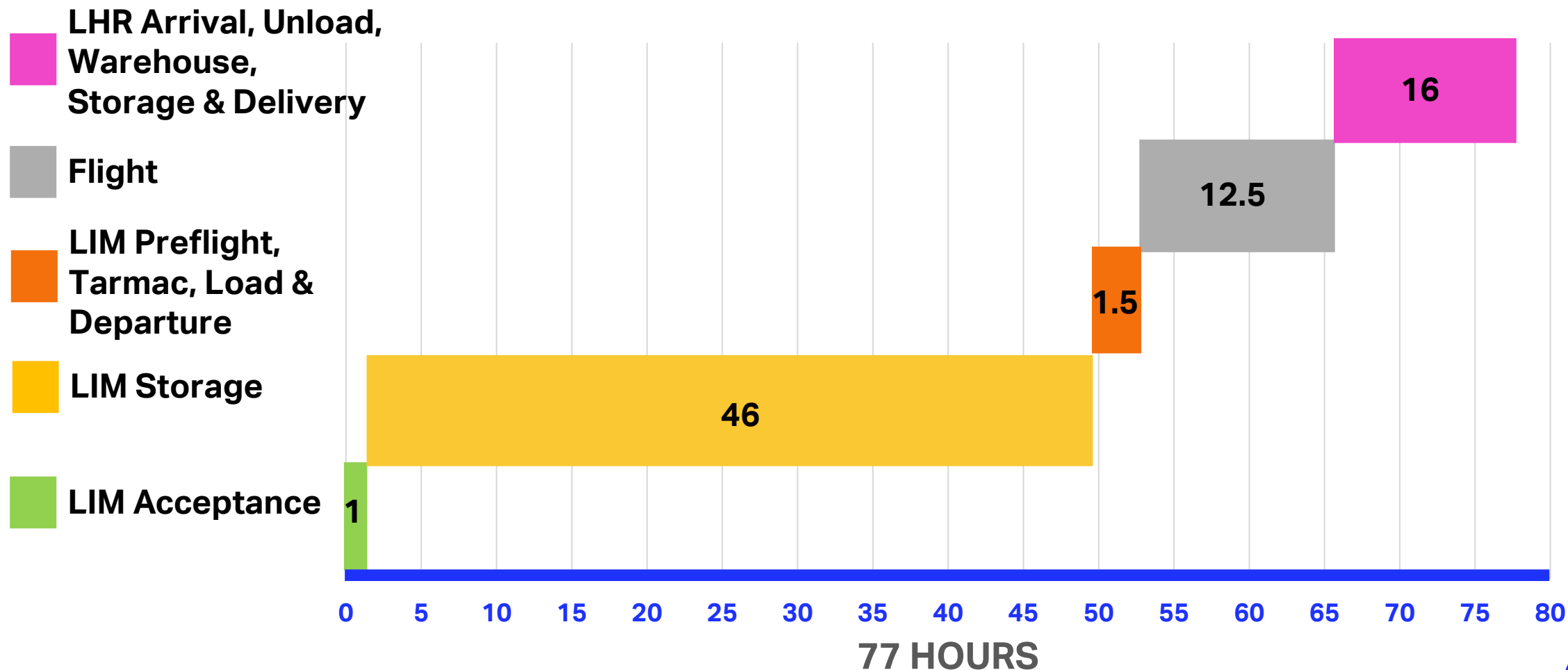
LOGISTICS



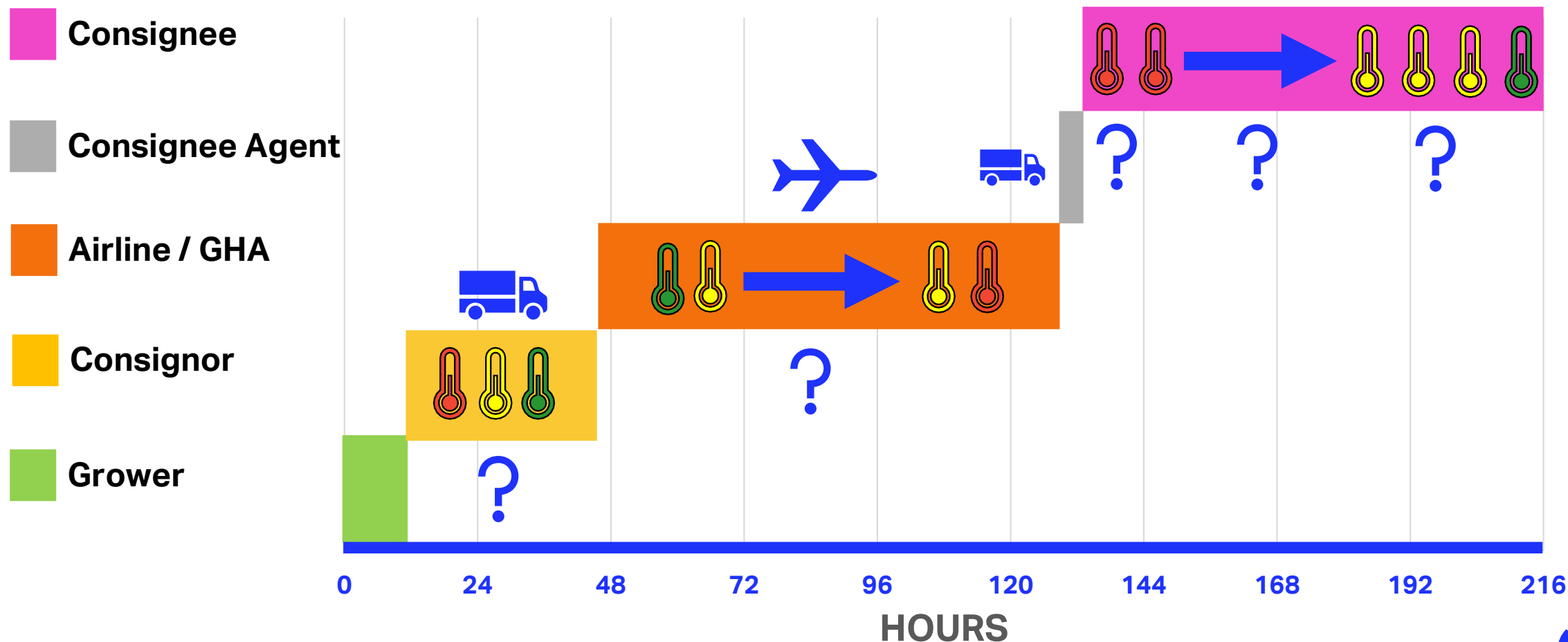




AIRLINE & GHA HANDLING TIMELINE



TEMPERATURE RECORDING OPPORTUNITIES



 **≠** Direct USB temperature monitoring

AREAS OF INVESTIGATION

GROWER

- Claimant

PROCESSOR / CONSIGNOR

- Claimant

LIM GROUND HANDLER

- Defendant

FLIGHT / AIRLINE INTERNAL INFORMATION

- Defendant

LHR GROUND HANDLER

- Defendant

CONSIGNEE CLEARING AGENT

- Claimant

CONSIGNEE & CONTRACTED RETAIL END USER

- Claimant

DOCUMENTS & EVIDENCE NEEDED

General Principles

CLAIMANT

- Relationships between parties including terms of business
- Logistical handling continuum including harvest, processing and road transport
- Biological and agricultural science of perishable commodity
- Industrial and commercial documentation at each logistical stage
- Industry standards for the commodity

DEFENDANT

- Logistical handling continuum covering departure airport handling, flight, and arrival airport handling
- Available handling resources including storage
- Air carriage product purchased
- Actual handling

DOCUMENTS & EVIDENCE NEEDED

GROWER

- Time & date of harvest
- Weather, including temperatures
- Storage prior to tender to agro-consolidator
- Documents related to tender to processor
- Biological & agricultural status / history

DOCUMENTS & EVIDENCE NEEDED

PROCESSOR / CONSIGNOR

- All documents prepared by processor at tender from growers
- Date & time of pickup from grower & type of truck
- Initial entry QC report into processing facility
- Date & time into processing & temperatures at all processing stages
- Packaging, packing, & packing list
- Time & temperature of cargo & truck on dispatch to LIM
- Type of truck on dispatch
- Weather conditions *en route*
- Temperature of truck on arrival at LIM
- Direct USB temperature monitoring?
- Documents of carriage including:
 - Air Waybill
 - Shipper invoice
 - Certificate of origin
- Financial Documentation including proof of payments

DOCUMENTS & EVIDENCE NEEDED

LIM GROUND HANDLER

- Intake manifest, time & temperature of intake
- Cargo inspection notes, including build & packaging (if possible)
- Storage records, including location & cooler temperatures
- Time out of cooler
- Time on tarmac & weather conditions
- How held on tarmac
- Time of loading & aircraft departure
- Photographs (if available)
- Cargo irregularity or damage report (if raised)
- Full statement of GHA with all assertions supported by relevant documents

DOCUMENTS & EVIDENCE NEEDED

AIRLINE INTERNAL INFORMATION

- Air Waybill / House Air Waybill(s)
- Flight manifest and cargo positions
- Flight departure & arrival times
- Hold temperature
- Flight time
- Flight irregularities
- Transfer manifests
- Computerized cargo history
- Written notice of complaint & all **claims related correspondence*****
- Photographs if available
- Cargo damage / irregularity handling reports from all relevant stations
- Full statement on carriage and explaining documents with all assertions supported by relevant documents

DOCUMENTS & EVIDENCE NEEDED

LHR GROUND HANDLER

- Weather at destination
- Time of flight unloading
- Time of cargo delivery to warehouse
- Warehouse storage details, including temperature & location
- Times of AMS entries and any communications with consignee
- Proof of delivery / release note, including time
- Cargo damage / irregularity report (if raised)
- Photographs
- Full statement of handling staff supported by documents

DOCUMENTS & EVIDENCE NEEDED

CONSIGNEE CLEARING AGENT

- Time of pickup (compare with airline documentation)
- Truck refrigeration documentation, including temperatures
- Time & temperature of delivery to consignee
- Proof of delivery (compare with airline documentation)
- Delivery receipt from consignee

DOCUMENTS & EVIDENCE NEEDED

CONSIGNEE & CONTRACTED RETAIL END USER

- **Written notice of complaint**
- **Proof of delivery (compare to clearing agent)**
- **Arrival check report**
- **Intake temperatures**
- **Storage temperature, time & location**
- **QC intake survey & QC Internal Rejection Report, including times**
- **Time of Consignee survey & survey report**
- **Direct USB temperature monitoring (if applicable)**
- **Photographs**
- **Contracted retail end user contract**
- **Supplier / Shipper invoice**
- **Invoice to contracted retail end user & UK Consignee & Supermarket evidence of non-payment**
- **Destruction report / proof of disposition**
- **Consignee commodity inventory records**
- **Historical prices / sales to contracted retail end user**
- **Proof of payment to LIM consignor**
- **Itemized quantum calculation**
- **Internal correspondence between surveyor & claimant**

DOCUMENTS & EVIDENCE NEEDED

- **EARLY** identification of relevant personnel & witnesses at all stations
- **EARLY** documentation
- **EARLY** investigation including like cargo on same flight & claimant history
- **EARLY** statements from GHAs & airline
 - **Explanation** of carrier documents
 - **Explanation** of handling process
 - **Explanation** of packing, temperature, storage issues or other non-conformity, including airline / GHA-caused loss, damage or delay

LIABILITY

Issues & Assessment

- Ownership / proper claimant
- Loss, damage or delay?
- Where?
 - Air?
 - Road?
 - Unknown?
- Applicable law
 - Convention carriage
 - Non convention carriage
- If Convention Carriage:
 - Extinguishment
 - Proper written notice of complaint
- If *not* Convention Carriage:
 - Air Waybill contractual terms
 - Airline General Conditions of Carriage for Cargo

LIABILITY

Issues & Assessment

- **Defences**
 - **AWB: "Apparent good order and condition"**
 - **Recorded inspection including temperatures and damage noted**
- **Convention Defences**
 - **Event?**
 - **Limit of liability**
 - **Special Declaration of Value?**
 - **Damage (Article 18)**
 - **Inherent defect, quality or vice**
 - **Defective packaging**
 - **Act of public authority**
 - **Delay (Article 19)**
 - **Damage occasioned by delay**
 - **All measures that could reasonably be required or impossibility**

LIABILITY

Issues & Assessment

- **Expert evidence**
- **Quantum / Measure of Damages**
 - **Sound arrived value**
 - **Replacement value plus shipping**
 - **Salvage**
 - **Contractual damages?**
- **Settlement**
 - **Release Discharge and Indemnity**
 - **GHA inclusion**
- **Airline v Ground Handling Agent**
 - **Prompt notification of claim**
 - **SGHA or other contractual indemnity**

PRAGMATIC CLAIMS HANDLING ISSUES TO CONSIDER

- **Difficulty obtaining documentation, statements & evidence**
- **Quality of claimant evidence & documentation, including survey**
- **Does magnitude of damage equate with ascertainable facts of carriage**
- **Availability of expert evidence on exact nature of damage and causation**
- **Salvage, destruction & verifiable proof**
- **Ascertaining value, price & quantum**
- **Airline handling v claimant handling and condition of cargo**
- **Customer Service and Claims History**
 - **Agreed Shipper / Consignee Contractual Indemnity and Hold Harmless**
 - **Circumstances with no identifiable event during carriage by air**
- **Economics of defense**

Networking break 15:30 – 16:00

Kindly sponsored by;



Session on Trade Sanctions

Silvia Gawronski
Counsel
Nauta Dutilh N.V.





Sanctions & Trade Restrictions

Silvia Gawronski LL.M. M.Jur.



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U.S. Sanctions Russian Firm For Alleged Fuel Sales To Syria

Treasury says sales fueled regime bombing campaigns against Syria

The New York Times

Trump Announces New Sanctions on Iran

The sanctions targeting the Iranian national bank add to the pressure on Iran, which the United States accuses of attacking U.S. facilities.

FINANCIAL TIMES

US politics & policy

+ Add to myFT

US Treasury hits 'Putin's chef' with new sanctions

Yevgeniy Prigozhin and Internet Research Agency accused of trying to influence 2018 US elections

U.S. Seeks More Sanctions on Venezuela's Leaders and Faults Europe's Inaction

THE WALL STREET JOURNAL.

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U.S. Sanctions Iran's Central Bank, Says It Will Squeeze Saudi Arabia
The sanctions action, part of a 'maximum pressure' campaign meant to avoid war, targets international trade

FINANCIAL TIMES

Oil + Add to myFT

US blacklists Chinese companies for shipping Iran oil

Washington turns up pressure as it tries to shut off Tehran's crude exports

FINANCIAL TIMES

South Korea

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South Korea files WTO complaint over Japan trade restrictions

Move is the latest escalation of the dispute stemming from Japan's colonial rule over Korea

White House Weighs Blocking Chinese Companies From U.S. Exchanges

Bloomberg

Politics

Trump Revives China Talks With Tariffs Truce, Break for Huawei

The Guardian

Iran's president rejects nuclear talks before sanctions are lifted

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FINANCIAL TIMES

Washington pushes EU for tougher sanctions on Venezuela

Trump envoy Elliott Abrams attacks 'unhelpful' European approach



Programme

1. Sanctions & Exportrestrictions
→ **The basics**
2. EU (and Dutch) Legal Framework
→ **The bit boring part**
3. US impact
→ **The..."&%#\$?!-really?" part**
4. EU vs US: Dealing with Anti-Boycott Legislation
→ **The interesting part**
5. Client-screening & Red-Flags
→ **The usefull part**
6. Questions.... And then off to drinks & dinner
→ **The fun part**

1. The Basics - What, why, how?



What?

Sanctions are measures/restrictions to enforce certain behaviour from a State, (legal) persons or organisations



Why?

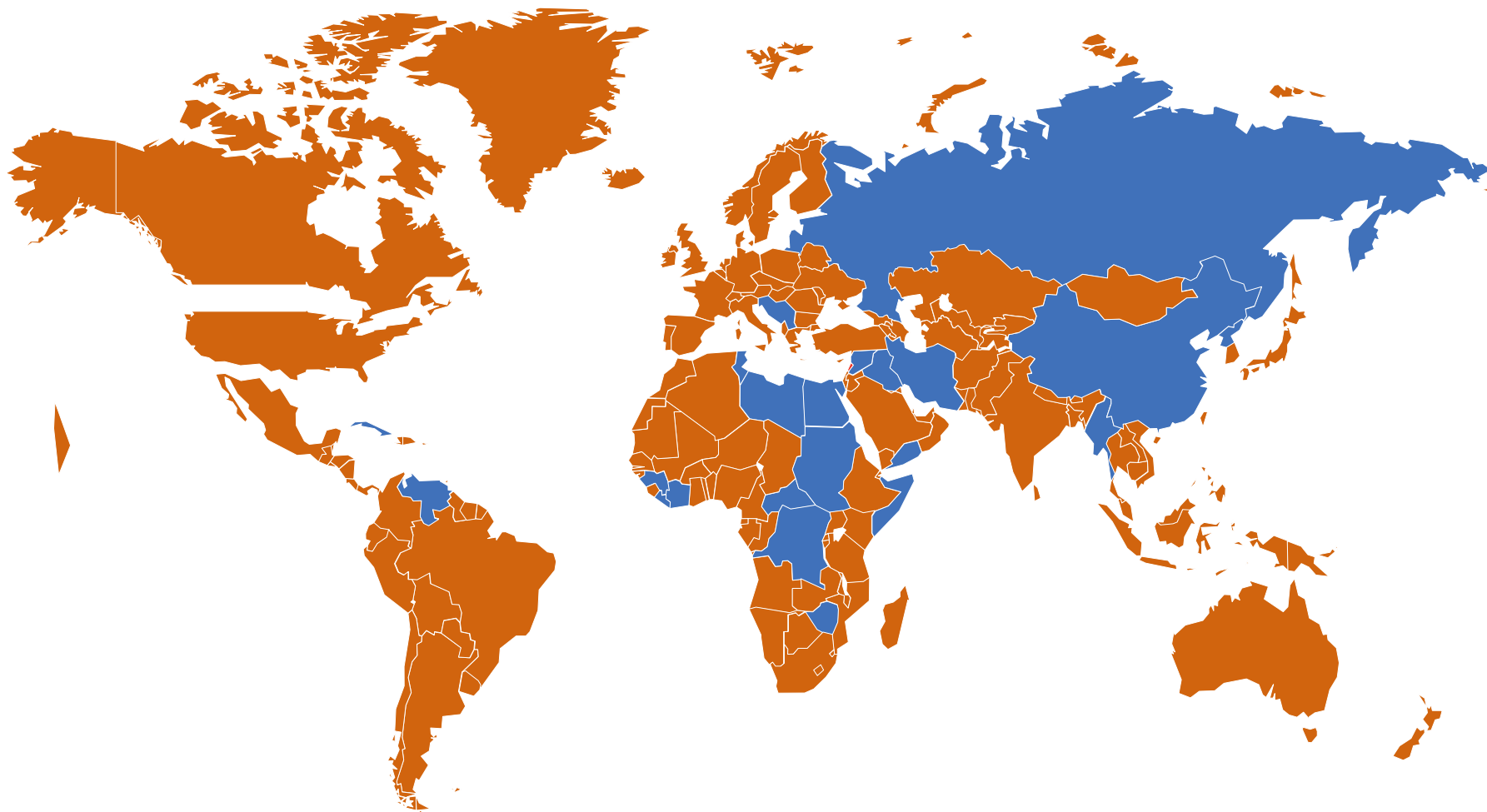
Promote peace and security and prevent or end certain undesirable (political) situations, e.g. re terrorism, proliferation of nuclear weapons, human rights violations, annexation of areas, destabilising of sovereign states



How?

Preventative/reactive: weapons embargoes, import and/or export restrictions, limiting (financial) services (freeze orders, prohibition to provide funds) etc.

1. The basics – Where?



1. The basics – What kind of restrictions?

Sanctions may include restrictions on:

- certain parties (organisations, (legal) persons, etc.);
- certain areas;
- certain goods (e.g. dual use, military);
- certain projects or markets (e.g. deep sea oil & gas); and
- a combination of the foregoing factors.



1. The basics – Sanctioned/listed parties?

- Parties (entities, organisations, individuals, groups etc.) on the sanction lists (listed)
 - Often sanctions also apply to parties that more than 50% in the hands of listed parties, which 'subsidiaries' are not directly listed on the lists!
- Indirectly against parties active in certain geographical areas, branches, projects, etc.
- Other parties, groups, organisations, markets such as:
 - Terrorists (Al-Qaeda / ISIS)
 - Magnitsky
 - Non-proliferation
 - Cyber-related
 - Blood diamonds
 - International criminal organisations

1. The basics – Examples

- **Arms embargo**: prohibition of import and/or export of weapons and army vehicles
- **Import and/or export restrictions**: prohibition on the import and/or export of certain goods (including 'dual use' and military goods)
 - Goods = items, technology & software and related tech. services
 - Dual use = items that can be used for both civilian and military purposes; more items than you think!
- **Restricting services**: e.g. prohibition of (in)direct provision of brokering services, technological and financial support
- **Financial sanctions**: freezing order and provision of funds and resources, and limiting access to financial markets and services (loans, securities)
- **Entry and visa restrictions**: think of visa ban for people

2. Legal Framework EU

- UN sanctions are often the basis for EU decisions on common foreign and security policy (CFSP-decisions)
- CFSP-decisions are aimed at Member-States and explain how the EU will execute sanctions
- EU regulations: direct effect, contain material sanctions (the restrictions)
- Regulations contain no rules regarding supervision, enforcement and punishments. This is included in national legislation!
- Netherlands: Sanctions Act 1977, underlying sanctions regimes, and Economic Offences Act
- **Note:** Additional material (export) restrictions may be included in national sanctions regimes, and in strategic goods/services regulations



2. Legal Framework EU - Jurisdiction

EU Regulation apply:

- within the **territory** of the Union, including its airspace;
- **on board** any aircraft or any vessel under the jurisdiction of a Member State;
- to any person inside or outside the territory of the Union who is a **national** of a Member State;
- to any legal person, entity or body, inside or outside the territory of the Union, which is **incorporated or constituted** under the law of a Member State;
- to any legal person, entity or body in respect of any **business done** in whole or in part within the Union.

2. Legal Framework EU – Broad definitions

- (h) '**economic resources**' means assets of every kind, whether tangible or intangible, movable or immovable, which are not funds, but which may be used to obtain funds, goods or services;
- (k) '**freezing of funds**' means preventing any move, transfer, alteration, use of, access to, or dealing with funds in any way that would result in any change in their volume, amount, location, ownership, possession, character, destination or other change that would enable the funds to be used, including portfolio management;
- (l) '**funds**' means financial assets and benefits of every kind;
- (m) '**goods**' includes items, materials and equipment;
- (r) '**technical assistance**' means any technical support related to repairs, development, manufacture, assembly, testing, maintenance, or any other technical service, and may take forms such as instruction, advice, training, transmission of working knowledge or skills or consulting services; including verbal forms of assistance.

2. Legal Framework EU – Note on listed parties!

▼M33

- (11) Ahmad Vahid Dastjerdi. Function: Head of the Aerospace Industries Organisation (AIO). DOB: 15 January 1954. Passport no: A0002987, issued in Iran. Other information: Served as Deputy Defence Minister.
Date of UN designation: 23.12.2006.
- (12) Ahmad Derakhshandeh. Function: Chairman and Managing Director of Bank Sepah, which provides support for the AIO and subordinates, including SHIG and SBIG, both of which were designated under resolution 173 (2006). DOB: 11 August 1956. Address: 33 Hormozan Building, Pirozan St., Sharaj Ghods, Tehran, Iran (Islamic Republic of).
Date of UN designation: 24.3.2007.
- (13) Mohammad Eslami. Title: Dr. Other information: Head of Defence Industries Training and Research Institute. A.k.a.: Mohammad Islami; Mohamed Islami; Mohammed Islami. Other information: Served as Deputy Defence Minister from 2012 to 2013.
Date of UN designation: 3.3.2008.
- (14) Reza-Gholi Esmaeli. Function: Head of Trade & International Affairs Dept, Aerospace Industries Organisation (AIO). DOB: 3 April 1961. A.k.a.: Reza-Gholi Ismaili. Passport no: A0002302, issued in Iran (Islamic Republic of).
Date of UN designation: 23.12.2006.
- (15) Mohsen Fakhrizadeh-Mahabadi. Senior MODAFL scientist and former head of the Physics Research Centre (PHRC). Passport no: (a) A0009228 (Unconfirmed (likely Iran)) (b) 4229533 (Unconfirmed (likely Iran)). Other information: The IAEA have asked to interview him about the activities of the PHRC over the period he was head but Iran has refused.
Date of UN designation: 24.3.2007.

2. Legal Framework EU – Note on Dual Use!

			distillation towers.
1A227	High-density (lead glass or other) radiation shielding windows, having all of the following characteristics, and specially designed frames therefor: a. A 'cold area' greater than 0,09 m ² ; b. A density greater than 3 g/cm ³ ; <u>and</u> c. A thickness of 100 mm or greater. <u>Technical Note:</u> <i>In 1A227 the term 'cold area' means the viewing area of the window exposed to the lowest level of radiation in the design application.</i>	1.A.1.	High-density (lead glass or other) radiation shielding windows, having all of the following characteristics, and specially designed frames therefor: a. A 'cold area' greater than 0,09 m ² ; b. A density greater than 3 g/cm ³ ; and c. A thickness of 100 mm or greater. <u>Technical Note:</u> <i>In Item 1.A.1.a. the term 'cold area' means the viewing area of the window exposed to the lowest level of radiation in the design application.</i>



2. Legal Framework EU – Anti-circumvention

*“It shall be prohibited to participate, **knowingly** and **intentionally**, in activities the object or effect of which is to circumvent the prohibitions referred to in Articles 2, 4 and 5, including by acting as a substitute for the entities referred to in Article 5.”*

3. US Impact

Broad extraterritorial application in case of a US nexus. US sanctions may already apply when:

- US (legal) person is involved ('US person');
- this also regards an EU subsidiary of an US entity;
- payment in dollars;
- product (partly) originates from US ('US origin/content');
- territorial (e.g. location of a server);
- otherwise (government/practice).

Note: most NL banks obligate customers to act in accordance with US sanctions!



3. US Impact – US person

“The term United States person or U.S. person means any United States citizen, permanent resident alien, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States.”



3. US Impact – Transaction in \$

US claims jurisdiction over any financial transaction in US \$

A financial transaction is: *“Any transfer of value involving a financial institution.”*



3. US Impact – Territory

US territory, but also:

- Server on US territory
- US Clearing agency

3. US Impact – US origin (content)

For example:

“Except as otherwise authorized pursuant to this part, [...] the reexportation from a third country, directly or indirectly, by a person other than a United States person, of any goods, technology, or services that have been exported from the United States is prohibited, if: [..]”

10% rule:

“The prohibitions [..] shall not apply to those goods or that technology [..] if such goods or technology have been: [..] incorporated into a foreign-made product outside the United States if the aggregate value of such goods and technology [..] constitutes less than 10 percent of the total value of the foreign-made product to be exported from a third country.”

4. Dealing with Anti-Boycott

EU Anti-Boycott Regulation 2271/1996)

- Not allowed to adhere to US sanctions
- Protects parties within EU from US enforcement and civil claims
- Protection only within EU
- **Note:** Most banks will follow US sanctions, do not allow Iran related trade

“All contracting parties shall comply with applicable US, EU and national sanctions regulations.”



5. Client screening & red flags –Ask yourself

1. What countries are involved?
 - Where is the client registered & where does the client perform its activities?
 - Where are the client's clients located?
 - Where are other involved parties located/active?
2. Which parties are involved (in transactions)?
 - Client, banks, intermediaries (agents), counterparties, financier?
3. What does the client do (activities or goods restricted)?
4. What services do you provide to the client?



5. Client screening & red flags – Ask your client



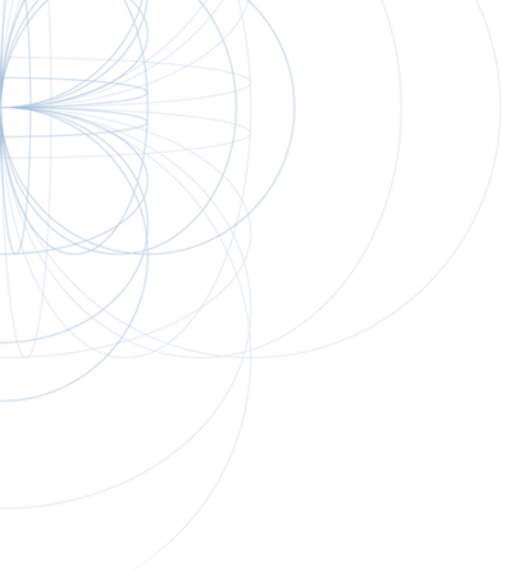
R
I
S
K

- Ask the client for information/confirmation;
- Check website of client for confirmation;
- Perform check via google on information;
- Perform check in world-wide database (such as World-Check)
- Request copies of independent documentation, e.g.: annual accounts (preferably from or approved by an auditor/accountant); tax filings; shareholder's register; extract from the (local) Chamber of Commerce; Articles of association/incorporation/bylaws (oprichtingsakte/statuten);
- The higher the risk the more recent (max. 6 months old) the provided documentation must be;
- Request Certified copies of aforementioned independent documentation;
- Confirmation by a lawyer, notary or accountant of information provided by client with regard to its shareholders, directors etc.

5. Client screening & red flags – Red flags

- Indications that someone else (other than client) is pulling the strings or is involved behind the scenes
- Involvement of an intermediary (e.g. agent) whose role is unclear
- Conflicting, incomplete or incorrect information/refusal to provide information
- Urgent job/client is willing to pay much more than normal
- Combination of the aforementioned factors

If it looks too good to be true, it usually is.



qo qo qo qo ?

Contact details



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Day 2 Closing Remarks

Christian Piaget

Senior Manager, Cargo Border Management & Claims

IATA



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CARGO

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6 – 8 October 2020
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Gala Dinner



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Amsterdam, Netherlands
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