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PART I : SECTION (I) — GENERAL

Government Notifications

L.D.B—19/72

THE LICENSING OF SHIPPING AGENTS FREIGHT FORWARDERS, NON-VESSEL OPERATING COMMON CARRIERS AND CONTAINER OPERATORS ACT, No. 10 OF 1972

REGULATIONS made by the Minister of Ports and Highways under section 10 read with section 3 of the Licensing of Shipping Agents Freight Forwarders, Non Vessel Operating Common Carriers and Container Operators Act, No. 10 of 1972.

MAHINDA RAJAPAKSA,
Minister of Ports and Highways.

Ministry of Ports and Highways,
Colombo 01,
18th July 2011.

Regulations

1. These regulations may be cited as the Freight Forwarders and Non Vessel Operating Common Carriers (Licensing) Regulations, 2011 and shall come into effect from January 01, 2012.

2. Every company desirous of carrying on the business of a Freight Forwarder or a Non Vessel Operating Common Carrier shall make an application for a licence in that behalf, to the Director General of Merchant Shipping (hereinafter referred to as “the Director-General”) substantially in the Form set out in the Schedule hereto.

3. Every application for a licence shall contain all such information as the Director-General may require for the purpose of processing the application and shall be accompanied by the relevant fee.

4. Every application for a licence shall be accompanied by a written statement stating that the applicant company shall without delay furnish information relating to any change in the Board of Directors of the company, to the Director-General.

5. No Company shall be eligible for a License to carry on the business of a Freight Forwarder or a Non Vessel Operating Common Carrier unless it is a limited liability, public or private company duly formed and registered or re-registered under the Companies Act, No. 7 of 2007, in which the majority of Directors are citizens of Sri Lanka and not less than Sixty per centum of the issued shares carrying voting rights are held by citizens of Sri Lanka.

Provided however that a citizen of Sri Lanka holding shares in any company referred to in this section shall be deemed not to be holder of such shares or part hereof if he holds such shares as the nominee or the trustee or the agent of a non citizen of Sri Lanka.

Provided further that such company shall, if required to do so by the Director-General, furnish proof in that behalf by way of an affidavit from such shareholders.

6. An applicant which is a Freight Forwarder, or Non Vessel Operating Common Carrier which furnishes a document of carriage or a Forwarders Cargo Receipt or provides all other connected services with respect to international carriage of goods, including total logistical services, shall be issued a "Class A" category licence, subject to the following conditions :-

- (a) that a bank guarantee to the value of rupees five hundred thousand (Rs. 500,000) shall be provided in favour of the Director-General ;
- (b) that a Staff officer who has a minimum of five years experience in the field of international transportation services shall be employed on the staff ;
- (c) that the applicant is registered as a Freight Forwarder with the Exchange Control Department of the Central Bank of Sri Lanka ;
- (d) that the applicant possess as a forwarders "all risk liability" insurance cover for a minimum of US \$ One Hundred Thousand (US \$ 100,000) and minimum cover of US \$ Fifty Thousand (US \$ 50,000) for errors and omissions, from an insurance company recognized by the Director-General ;
- (e) that there shall be in its permanent staff a minimum of two persons who have completed professional training and are holding valid certification in cargo handling, by air or sea, including handling of dangerous cargo from a recognized Institute ;
- (f) that the "Standard Trading Conditions" as accepted by Insurance Companies in Sri Lanka for the issuance of Liability Insurance Covers or the issuance of International Federation of Freight Forwarders Association Bills of Lading, specified by the Director-General shall be complied with.

7. An applicant which is engaged in carrying on Freight and Transport related services excluding the issuance of Documents of Carriage for international freight transportation such as Bill of Lading, House Bill of Lading Seaway Bill, Airway Bill, House Airway Bill, Multi Modal Transport Document Forwarders Cargo shall be issued a "Class B" Category license subject to the following conditions :-

- (a) a bank guarantee for Rupees Two Hundred and Fifty Thousand (Rs. 250,000) shall be provided in favour of the Director-General ;
- (b) that the applicant shall be registered as a Freight Forwarder with the Exchange Control Department of the Central Bank of Sri Lanka ;
- (c) that the "Standard Trading Conditions" as accepted by Insurance Companies in Sri Lanka for issuance of liability insurance covers or the issuance of International Federation of Freight Forwarders Association Bills of Lading as specified by the Director-General.

8. (1) Every licence issued in terms of these regulations shall, unless earlier cancelled or suspended be valid up to the thirty first day of December of the year in respect of which such license was issued.

(2) Every Freight Forwarder or a Non Vessel Operating Common Carrier shall pay an annual license fee of rupees Ten Thousand (Rs. 10,000).

9. (1) Every application for renewal of a license shall be made substantially in the Form set out in the Schedule hereto.

(2) Every application for the renewal of a licence for any year shall be made on or before the thirtieth day of November of the preceding year.

10. Every licensee carrying on the business of a Freight Forwarder or a Non Vessel Operating Common Carrier shall comply with such guidelines as may be issued, from time to time, by the Director-General, in the interest of the general public.

11. Where any information or particular, contained in any Declaration or Affidavit submitted as required under these regulations, is found to be incorrect or false, the Director-General may forthwith take steps to cancel the licence issued to such company or withdraw or suspend the same or withdraw or suspend the use of any privileges granted to such company.

SCHEDULE

(Regulation 2 and 9)

APPLICATION FOR A LICENCE OR FOR RENEWAL OF A LICENCE TO CARRY ON BUSINESS AS A FREIGHT FORWARDER OR A NON VESSEL OPERATING COMMON CARRIER

1. Name of Applicant :
2. Registered Address :
3. Number and the Date of Incorporation under Companies Act, No. 7 of 2007 :
 - (i) Company Registration No. :
 - (ii) Date of Incorporation :
4. Address of Principal Place of business :
5. Telephone No. : Fax No. : E mail Address :
6. State whether Private or Public Company :
7. Paid-up Capital of the Company :
8. Particulars of Foreign share holding if any :
9. Particulars of bank guarantee :
10. Registration Number with the Exchange Control Department of the Central Bank of Sri Lanka :
11. Details of all risks liability insurance coverage :
12. Name of the Staff officer referred to in paragraph (b) of regulation 6 and his experience in the field of international transportation services :
13. Particulars of previous License No. (if applicable) : Year :
14. The volume of cargo handled in Sri Lanka by applicant Freight Forwarder/Non-Vessel Operating Common Carrier in the last three years. (Please give break down separately in respect of each year).

We undertake to notify the Director-General, of any changes to the Board of Directors and contact details of the company.

We confirm that we are fully conversant with the provisions of the written law relating to the activities covered by this licence.

We hereby declare that we will not provide any service to any company, partnership, individual or corporation purporting to act as Shipping Agent or Container Operator other than under the authority of a licence issued under the Licensing of Shipping Agents Freight Forwarders, Non-Vessel Operating Common Carriers and Container Operators Act, No. 10 of 1972.

We declare that, to the best of our knowledge and behalf, all the statements contained in this application are true and correct.

.....
Name/Names and Signature/Signatures of the Director/Directors.

Date :

Note : certified copies of all the relevant certificate/statements are attached.

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