

PROCEDURE TO BE FOLLOWED IN ORDER TO AVOID AD HOC CHARGES FOR IMPORT SHIPMENTS

The current regulation regarding the payment of “Local Charges on Imports to Sri Lanka” are covered by Guideline No 5 issued by the DGMS on 12th November 2021. There is a discussion ongoing at present re a review of the charges payable, but as of today, Guideline No 5 is valid.

The maximum Delivery Order fees applicable under this guideline are reproduced below

(A) For FCL import shipments

Maximum DO fee that should be paid by an ultimate consignee / importer (except freight forwarder/ consolidator) is Rs 11,000

Accordingly,

From Shipping Lines to Freight Forwarders – the maximum liner DO fee should be 9,000

From Shipping Lines to Consolidator – the maximum liner DO fee should be 9,000

(B) For LCL import shipments

Maximum DO Fee that should be paid by an ultimate consignee / importer is 15,000

Accordingly,

From Consolidators to Freight Forwarders – the maximum DO fee should be 12,500.

Note: Delivery Order fees, sometimes referred to as Documentation charges and should not exceed the amounts stated in (A) & (B) above

Under the law, no other ad hoc charges as per examples appended below can be made

- Destuffing charges and/or CFS Handling charges, if shipments are on a CFS to CFS basis
- Cost Recovery Charges
- Liner Reimbursement Charges
- Washing charges in respect of FCL Shipments

In the event of any other charges being levied, the importer should inform the Director General Merchant Shipping (DGMS) by email to dmsmos@sltnet.lk

At our meeting with the Secretary to the Ministry of Ports and Shipping, and the DGMS, it was highlighted that DGMS has been remiss on following up these complaints. The Secretary has taken this up with the DGMS and we do hope to see an increase in the actions taken by the DGMS against complaints made by importers. They have confirmed that they will be taking action against repeat offenders including suspension of the forwarders license after a 3rd offense. The Secretary to the Minister has asked that he is kept in the loop on the actions taken by the DGMS particularly about Importers seeing repeated issues should flag this up to the Association Secretariat for follow up.

Cost recovery charges on Freight prepaid LCL import shipments

It is important for importers to ensure that the correct terms of trade are used, particularly in relation to LCL cargo. A number of forwarders have started charging a “service fee” of around \$6 per CBM on Freight prepaid LCL cargo shipments on the basis that the BL is marked “**CFS to CY**” (Container Freight Station to Container Yard). There is a valid argument that in the case of a CFS/CY BL, there is an additional cost between the Container Yard (CY) and the Container Freight Station (CFS) that is not covered in the all inclusive freight when the BL has the clause “**CFS/CY**”.

Importers are therefore urged to ensure that when importing LCL cargo on freight prepaid basis, to ensure that the BL is marked up “**CFS/CFS**”. We would recommend that this is part of the company PO that is issued to your supplier. We append below for your info the extract of what one importer is including on their Purchase Orders in case it’s of relevance

FOR CIF SHIPMENTS

All LCL shipments, status of the **BILL OF LADING** must be indicate as, **CFS/CFS**.

As per Sri Lanka regulation, destination agent fee for LCL shipment should not be more than LKR 15,000/= And other charges should be prepaid from the loading port.

As per Sri Lanka regulation, destination agent fee for FCL shipment should not more than LKR 11,000/= And other charges should be prepaid from the loading port.