

MAWANI
SAUDI PORTS AUTHORITY



موانئ
الهيئة العامة للموانئ

Regulation of Shipping Agents

Issued under the Resolution of Mawani
Board of Directors No. (6/C1/D1) dated 10/3/1440H

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Preamble

In pursuance of the General Regulation of Licensing issued under the Resolution of the Board of Directors of the Saudi Ports Authority (Mawani) No. (5/C1/D1) dated 10/3/1440H, authorizing the establishment of a regulation for practicing licensing activities, this Regulation and the rules governing the Shipping agency business activities have been issued to organize and legalize such activities to ensure carrying out same efficiently and with high quality.

Article (1): Definitions

The following terms and expressions shall have the meanings assigned to each of them, unless otherwise the context requires:

"Licensing Department", means the department responsible for issuing or renewing licenses.

"Control and Inspection Department", means the department responsible for controlling and inspecting the licensee.

"Shipping Agent ", means a body licensed by Mawani to carry out maritime agencies services, and authorized by ships' owners or suppliers to act on their behalf in performing the duties towards the Port, governmental bodies, business sectors and any other bodies and authorities related to the activity.

"License", means the document issued by Licensing Department at Mawani allowing maritime agencies to carry out their business activities in the ports of Saudi Arabia Kingdom ("Kingdom").

"Financial Dues", means the value which Mawani collects from licensees for issuing or renewing licenses.

"Inspector of Maritime Agencies Activity", a person appointed by the Control and Inspection Department at Mawani to ensure that the Shipping agent is in compliance with the provisions and requirements stated herein.

"Foreigner Investor", a natural non-Saudi person or a legal person whose all partners are not Saudi.

"Shipping Line", means ship owners or operators who provide maritime transport services whether on a regular basis or not.

"Cargo", means what a licensee is committed to ship or transfer under a contract of cargo transport, vehicles or live animals of any kind or nature and which are permitted to deal with.

"Dangerous Cargo", are solids, liquids, or gases of hazardous properties which, due to their chemical, physical or biological components, can harm people's health, other living organisms, property, or have a detrimental effect on the environment.

"Cargo Owner", means the one having title to the cargo as per relevant records and documentation.

"Consignor", means the person who enters into a marine transportation contract with the shipping line to transport cargo.

"Consignee", means the person entitled to receive the cargo under a transport contract, a maritime transport document, or in accordance with e-transport registry.

"Shipping Charges", mean the agreed upon charges paid in return for the maritime transport service(s) provided.

"Marian Freight forwarders", mean the companies carrying on contracting activities of transporting goods by sea between ports of the Kingdom and ports of other countries under a contract providing for the responsibility of the maritime transport contractor for cargo starting from the place the contractor receives cargo from its shipper until delivering same to the cargo recipient.

"Delivery Order", is a document a Shipping agent issues to the cargo owner ordering the receipt and release of the imported cargo. Details of such order are included in each bill of lading.

"Maritime Transport Contract (Bill of Lading)", is a document issued, in a printed or soft form, under a transport contract proving the receipt of relevant cargo by the transport contractor in the condition stated in such document, to deliver same to the cargo recipient in the same condition.

"Outsourced Contractors", mean terminals and docks operators, and tenants of maritime installations.

Article (2): Purpose of Regulation

This Regulation aims at achieving compliance with appropriate standards applying to maritime agencies services to which Shipping Agents must adhere when dealing with existing and potential customers.

Article (3): Implementation

This Regulation shall apply to all Shipping Agents and persons licensed by the Saudi Ports Authority to carry out Shipping agency businesses in the Kingdom of Saudi Arabia.

Article (4): Licensing Controls

1. The Licensing Department shall issue and renew licenses and shall set any related conditions, controls, and any other relevant businesses carried out by a Shipping Agent.
2. Method of issuing violations and penalty fines shall be determined in accordance with the provisions stated in Article (16) of the General Regulation of Licensing.

Article (5): Duties of a Shipping Agent

A Shipping agent shall:

1. Carry out all works and procedures needed by ships their or crews on behalf of ships' owners or operators while ships exist at the port area.
2. Pay charges, wages and costs payable to official authorities and other bodies for the services provided to ships working under its agency.
3. Collect fees payable to ships working under its agency.
4. Represent ships' owners or operators in performing works and acts required to benefit from ships working under its agency.
5. Notify cargo owners of the arrival of their shipments and hasten to deliver same to them when the ship arrives, in accordance with the manifest of cargo and the original bills of lading.

6. Follow up loading and unloading operations on behalf of the ships' owners or operators, and a Shipping agent may act as a Shipping agent on behalf of shippers.
7. Carry out procedures related to cargo receipt and collection from respective owners or agents, and facilitate shipping same by sea or storing them at the port of loading.
8. Carry out procedures related to cargo receipt from ships operating under its agency and facilitate their delivery to respective owners or agents at the port of discharge.
9. Enter into contracts locally on behalf of ships' owners or operators within the limits of his powers in respect of contracting and in accordance with agency contract.
10. Carry out arrangements related to customs and prepare documentation of incoming, outgoing or transshipped cargo.
11. Provide the port management, cargo owners and relevant bodies with accurate data about the movement of ships under its agency or any other statistics, statements or documents related to ships under its agency.
12. Provide necessary information to cargo owners and the expected dates of arrival and departure of ships or according to data in the relevant bills of lading.
13. Act on behalf of the ships' owners or operators in the legal actions arising from maritime transport activities locally, and shall be treated as principal in such legal actions.

Article (6): Conditions for License Issuance and Renewal

First: Conditions and requirements of issuing a new license or renewing an existing one, which should be fulfilled upon submitting the relevant online application to Saudi Ports Authority (Electronically requests):

1. Commercial Register Certificate (not required if electronic link is completed).
2. Certificate from the General Authority of Zakat & Tax (not required if electronic link is completed).
3. Copy of Manager(s) ID according to Commercial Register.
4. All submitted documents must be valid and effective at the time of completing the application according to the validity term of the license.
5. Payment of financial dues for license issuance and renewal.

6. In addition to aforesaid conditions, a foreign investor must:

- Obtain license from the Saudi Arabia General Investment Authority (SAGIA) according to International Standard Industrial Classification (ISIC) code No. (522924).

An (online) applicant undertakes to:

- Comply with all directives and laws issued by the Saudi Ports Authority and departments of ports in which he works.
- Provide all information and data requested by the Saudi Ports Authority.
- Develop and train his Saudi human resources and qualify them to hold leadership positions in his corporate entity.
- Not to transfer any activities or works related to carrying out Shipping agency businesses outside the Kingdom of Saudi Arabia.
- Provide all information and data in the event of any material changes occurring in his corporate entity during the validity of license.
- Be fully liable as a guarantor towards any act or negligence committed by him personally or any of his employees which may cause damage to the port or its facilities, or which may cause any harm to the port employees or third party within the port's limits, and shall unconditionally be liable for compensating losses resulting from such actions or negligence.
- Pay and settle all his financial obligations towards the Saudi Ports Authority, the port in which he works, and the outsourced contractors within a period not exceeding 30 (thirty) days from issuance date of any invoice or financial claims.
- Proceed to carry out his activities within a period not exceeding 90 (ninety) days from license issuance or renewal date.
- Must reach Saudization rate not less than 60% (sixty percent) in administrative and leadership jobs within the license validity period.
- Appoint a Saudi executive manager to manage Shipping agency businesses within the license validity period.
- Provide a strategic work plan to increase quantities and develop works in Saudi ports including required Saudization rate within a maximum period of 90 (ninety) days from the license issuance date.

Second: Conditions and requirements to be fulfilled when carrying out Shipping agency business in the port:

1. A local investor shall provide an irrevocable and unconditional bank guarantee in favor of the Port Authority in which the Shipping agency business activities shall be carried out, of SAR 500,000 (five hundred thousand Saudi riyals) valid for 39 (thirty nine) calendar months from its submission date.
2. A foreign investor shall provide an irrevocable and unconditional bank guarantee in favor of the Port Authority in which the Shipping agency business activities shall be carried out of SAR 3,000,000 (three million Saudi riyals) valid for 39 (thirty nine) calendar months from its submission date.
3. A Shipping agency agreement with any ship owner, operator or supplier is to be submitted.

Article (7): Procedures of License Issuance or Renewal

1) An application of license issuance or renewal shall be submitted via electronic platform for this purpose, after meeting the following requirements:

- a. Filling in application data via the electronic platform.
- b. Attaching copies of the required documents in set terms and controls of granting new license or renewal of existing one upon submitting the application.
- c. Saudi Ports Authority shall collect SAR 30,000 (thirty thousand Saudi riyals) for each new license or renewal.
- d. A Shipping agent must submit an application for renewal 60 (sixty) days prior to its expiry date. Further, a fine shall be imposed if the application is submitted after license expiry date.
- e. License shall be canceled and deleted from the registries after two months of its expiry date if the Shipping agent does not submit a renewal application.

2) Validity term of license is 36 (thirty six) months from issuance date.

Article (8): License Suspension or Cancellation

The Saudi Port Authority shall be entitled to suspend or cancel the license in the following cases:

1. Upon the licensee's request.
2. A licensee's failure to comply with the applicable laws within the Kingdom and other rules relevant to his duties and activities as a Shipping Agent .
3. Violating applicable rules and code of conduct.
4. Violations and irregularities reported to Mawani.
5. If it is proven to Mawani that the licensee has obtained the license based on incorrect information or documents.
6. If the licensee loses the license or fails to comply with one or more of the license conditions.
7. Dissolution, liquidation, expiration, bankruptcy, seizure by judicial order or removal of the natural or legal person of the licensee from the commercial register.
8. Non-compliance with any of the undertakings provided upon obtaining the license.
9. In case of cancellation of the foreigner investor's license by the General Investment Authority.

Article (9): License Scope

A license issued to a Shipping agent shall be valid to use in all ports within the Kingdom provided that a bank guarantee shall be submitted to each port separately and also provided that all other operational requirements in accordance with conditions and requirements mentioned in Article (6) herein are fulfilled.

Article (10): Legal Entity of Shipping Agent

A Shipping agent must obtain a prior consent from the Saudi Ports Authority indicating license validity in case he wishes to amend his legal entity. According to its own discretion, Mawani may reject or accept validity of the license in question if amendment is made without prior notice hereof.

Article (11): Shipping Agent 's Obligations towards Dangerous Cargo

A Shipping Agent :

1. Shall not transport dangerous, prohibited or restricted cargo without prior permission from the competent bodies within the Kingdom.
2. Shall not transport dangerous, prohibited or restricted cargo in contradiction with the information contained in the import permit.
3. Shall report the Saudi ports authorities regarding dangerous cargo before its arrival to the Kingdom according to the applicable laws and directives.
- If the Shipping agent transports dangerous, prohibited or restricted cargo as explained in paragraphs 1 and 2 above, he shall be committed to return the cargo to its origin, destroy or dispose of same at his own cost after coordination with the port industrial security and the customs officials, and a fine shall be imposed on him.

Article (12): Financial Dues

A Shipping agent shall pay the amounts due to Mawani, port authorities or outsourced contractors within a period of 30 (thirty) days from the invoice issuance date. In case of failing to pay such amounts within the defined time, the following steps shall be taken:

1. A fine shall be imposed.
2. If the Shipping agent default continues, a debt amount and a fine shall be deducted from the bank guarantee and he shall be required to replenish the bank guarantee to its prescribed amount.
3. If the dues exceed the bank guarantee amount and the Shipping agent fails to pay, his business activity shall be suspended and the license shall not be activated except after all due debts have been settled and a new bank guarantee is submitted.
4. If the Shipping agent continues not to pay or to submit the required guarantees, the license shall be cancelled permanently and legal measures shall be taken to collect the debts.

Article (13): Shipping agent Collection of the Amounts Due

A Shipping agent shall collect all amounts and expenses of the shipment that are payable by the cargo recipient before delivery order is issued. Any additional amounts or expenses shall not be considered after the delivery order is issued unless approved by the cargo recipient.

Article (14): Adherence to Directives

A licensee shall comply with the directives and circulars issued by Mawani and shall adhere to all international laws and agreements related to facilitating international maritime trade.

Article (15): Business Hours

A Shipping Agent 's business hours shall be determined in accordance with official working hours applicable in the bodies locally related to his activities. Besides, a Shipping agent shall carry out his activities on Saturdays and on official holidays prevailing in the Kingdom.

Article (16): Electronic Procedures

A Shipping agent shall use electronic systems applicable in the ports, customs, and relevant bodies, and shall pay financial dues resulting therefrom.

Article (17): Shipping agent Advice of Ship Dates

A Shipping agent shall notify the Port Authority of any delay occurring to any ship operating under his agency, whether coming or departing, and shall state reasons of delays.

Article (18): Port Authority Rights

The Port Authority may suspend any ship if it is established that it has caused any material or environmental damage. Such ship shall not be allowed to leave until the relevant Shipping agent provides necessary banking guarantees equal to the value of such damage acting in such respect on behalf of the ship owners or operators, and shall also carry out any necessary legal procedures.

Article (19): General Code of Conduct

A Shipping agent shall:

1. Carry out Shipping agency businesses in a diligent and efficient manner, honestly, accurately, professionally, and in a fully objective manner;
2. Carry out his business in the required manner, duly discharge his duties, and avoid any illegitimate practices contravening any applicable laws and regulations, or any suspicious practices;
3. Notify any illegitimate practices while carrying out his business;
4. Take proper actions to ensure confidentiality of his documentation and information;
5. And shall faithfully serve the Saudi Ports Authority objectives and the public interest.

Article (20): Violation of Controls, Conditions and Professional Code of Conduct

Mawani shall be entitled to apply the legal procedures against violations of non-compliance with controls and conditions of the license and professional code of conduct even if it is not expressly provided in the Regulation, whether separately or jointly, according to the severity of violation and Mawani discretion.

Article (21): Shipping Agent 's Responsibilities after License Expiration

Expiration of a Shipping agent license shall not constitute an exemption from performing any of his obligations towards the ships working under his agency including settlement of all dues, fees, charges, wages, fines and remedies of damages discovered after the departure of ship.

Article (22): Correspondences and Forms

All correspondences and forms related to the maritime business activity on prints shall clearly bear (Name of entity, commercial register number, license number, Shipping agent address, contact numbers, email address and website), provided that all such shall be in Arabic, and English may be used alongside Arabic.

Article (23): Shipping agent Performance Measurement Indicators

The Control and Inspection Department shall annually evaluate the licensee performance according to approved indicators to measure performance of Shipping Agent s in order to identify the value added to the ports by the Shipping Agent s and their compliance with the regulations and decisions organizing the their business.

Article (24): Control and Inspection Works

Shipping Agent s shall provide necessary facilities to the inspectors of Mawani entrusted with control and inspection works such as entering the places in which a Shipping agent practices his activity and business, and being given access to the documents and records and checking employees. In the event of violating such measures, a notice, a fine or both shall be imposed in addition to suspension or cancellation of license.

Article (25): Renewability of License after Suspension

A Shipping agent whose license has been permanently cancelled for reasons of non-compliance with conditions and controls of the license or due to violations requiring the cancellation of the license, shall not be entitled to apply for a new license from the Saudi Ports Authority except after 3 (three) years from date of cancellation of the previous license.

Article (26): Shipping Agent 's Obligations with Marian Freight

1. Shipping Agent s shall not accept any shipment contracts or impounding of goods issued by Saudi ports via freight forwarders not licensed locally by the Public Transport Authority (PTA), and the Shipping agent must keep a copy of freight forwarder's license issued by the PTA at his records to agree on contracts or to accept impounding with him.
2. In addition, the Shipping agent shall notify the shipping line to refuse shipments coming to the Saudi ports to freight forwarders who do not have representatives and licensees by the PTA to practice the activity of freight forwarder in the Kingdom. It is required to obtain a copy of license of forwarder's representative or agent in the Kingdom to accept contracting or the impounding with him.

Article (27): Disputes between Shipping agent and Third Parties

Disputes arising from transactions between a Shipping agent and the ships' owners and operators or business sector entities shall be referred to the competent courts.

Article (28): Types of Insurance of Containers and Receipt and Delivery Procedures

Following are the general organizational rules and code of conduct applicable to the basic transactions between the shipping line agents and business sector entities in the Kingdom:

First: Containers Insurance:

- Containers and trailer insurance sums when the cargo owner is responsible for the transportation and supervision thereon, shall not exceed the following maximum limits:
 1. Container/ Trailer 20 feet or more, insurance amount shall be SAR 3,000 (three thousand Saudi riyals).
 2. Refrigerated container 20 feet or more, insurance amount shall be SAR 7,000 (seven thousand Saudi riyals).
- Insurance amount may be collected to face any delay fees or cover costs of repairing any damage to the container.

Consequently, it shall be as follows:

- a. Maximum total insurance collectible amount per bill of lading shall be SAR 150,000 (one hundred and fifty thousand Saudi riyals). A fine shall be imposed in case of violation.
- b. Insurance amount or the remaining thereof shall be returned to the cargo owner or his representative after calculating and deducting the value of delay fees, costs of damage, repair or cleaning, if any, within a maximum period of 10 (ten) days from the container delivery date to the Shipping Agent . A fine shall be imposed in case of violation.
- c. Upon handing over the delivery order, the Shipping agent shall notify the cargo owner in writing, expressly and clearly, of the site and address of the body to which the cargo owner shall return and deliver the empty containers whether it was one of the storage yards of the Shipping Agent , one of the container terminals in the port or as agreed upon.

- d. Cargo owner shall return and deliver containers to the Shipping agent in the site and at the address specified by the latter and the Shipping agent shall receive containers as soon as they arrive at the specified location.
- e. Cargo owner shall be responsible for the containers safety from the receipt time until returning and delivering them to the body specified by the Shipping Agent.
- f. The Shipping agent may exempt the cargo owner from paying the insurance amount, or reduce it or accept any form of guarantee as equivalent of insurance if it is agreed upon between the Shipping agent and cargo owner.
- g. A fine shall be imposed if the Shipping agent violates directives related to the value of insurance amount.

Second: Fees payable for delayed return of containers/ trailers:

a. Shipping Agent s may impose fees for delayed return of containers/ trailers as of the eleventh day of the discharge date of container and for each day as follows:

No	Type of container	No of days	Container 20ft or less	Container 40ft or less
1	Normal cargo containers	1-10 days	Exempted	
		11-15 days	SAR 30 per day	SAR 60 per day
		16-30 days	SAR 60 per day	SAR 120 per day
		31-60 days	SAR 100 per day	SAR 200 per day
		61-180 days	SAR 200 per day	SAR 300 per day
2	Refrigerated containers	1-10 days	Exempted	
		11-15 days	SAR 100 per day	SAR 200 per day
		16-30 days	SAR 200 per day	SAR 350 per day
		31-60 days	SAR 300 per day	SAR 450 per day
		61- 180 days	SAR 400 per day	SAR 550 per day
3	Special containers	1-10 days	Exempted	
		11-15 days	SAR 60 per day	SAR 120 per day
		16-30 days	SAR 100 per day	SAR 200 per day
		31-60 days	SAR 200 per day	SAR 300 per day
		61- 180 days	SAR 400 per day	SAR 550 per day

b. Shipping Agent s may impose fees for delayed return of containers/ trailers as of the sixteen day of the container receipt date and for each day according to the following schedule:

No	Type of container	No. of days	Container 20ft or less	Container 40ft or less
1	Normal cargo containers	1-15 days	Exempted	
		16-30 days	SAR 60 per day	SAR 120 per day
		31-60 days	SAR 100 per day	SAR 200 per day
		61-180 days	SAR 200 per day	SAR 300 per day
2	Refrigerated containers	1-15 days	Exempted	
		16-30 days	SAR 100 per day	SAR 200 per day
		31-60 days	SAR 200 per day	SAR 350 per day
		61- 180 days	SAR 300 per day	SAR 450 per day
3	Special Containers	1-15 days	Exempted	
		16-30 days	SAR 60 per day	SAR 120 per day
		31-60 days	SAR 100 per day	SAR 200 per day
		61- 180 days	SAR 200 per day	SAR 300 per day

c. Maximum period of collecting fees for delayed return of containers/ trailers by the Shipping agent shall be 180 (one hundred and eighty) days from date of discharge in the port or the date of receiving the container empty from the yard of the Shipping Agent . In case of failing to return the container to the Shipping agent after 180 (one hundred and eighty) days from the date of unloading the container in the port or exporting it, the Shipping agent shall be entitled to request the value of the fees for delayed return of containers/ trailers for the period of 180 (one hundred and eighty) days according to the above schedule in addition to the value of the container according to the following price schedule together with the transfer of ownership of the container and the consequent financial obligations on the importer or exporter:

No	Type of container	Container 20ft or less	Container 40ft or less
1	Normal cargo container	SAR 11,250	SAR 18,750
2	Refrigerated container	SAR 60,000	SAR 90,000
3	Special container	SAR 15,000	SAR 24,000

- If the containers do not belong to the shipping line that represents the Shipping agent (i.e. rented), value for the remaining period of the container's rental contract shall be added to the container value alongside the fees for delayed return containers for period of 180 (one hundred and eighty) days. Moreover, the Shipping agent must prove the remaining period of these containers' rental contract.

Consequently, it shall be as follows:

1. In case of an increase in the value of delay fees, costs of repair or cleaning of the containers, separately or jointly, beyond the insurance value payable by the cargo owner, the latter shall be committed to pay the amount of delay fees, costs of repair or cleaning of the containers within 10 (ten) business days from having received the Shipping Agent 's respective invoice. In case of failing to comply with this, such matter shall be referred to the competent judicial authorities.
2. Taking into consideration the provisions or requirements set out in the bills of lading or the agreement executed between the shipper, transporter and the recipient in determining the period exempted from the fees for delayed return of containers/ trailers or their value provided that a written agreement signed by the shipper, transporter and the recipient exists, otherwise, no fees or periods other than the above-mentioned ones may be imposed. If the Shipping agent violates this requirement, a fine shall be imposed for each violation and each container to which values or periods contrary to what is stated apply, shall be treated as an independent violation and the Shipping agent shall be required to refund the amounts of fees collected for the recipient or shipper.

3. Cargo owner shall be required to remove all labels and wastes on the containers, clean and return them to the Shipping agent in a good condition.
4. A Shipping agent shall be responsible for proving any damage or the need to clean the containers by using one of the common means in establishing same, such like reports of container condition at the time of receipt and delivery issued by the terminals or storages yards, photos of container's condition and the damage effect, reports of accidents issued by the competent authorities or reporters of approved surveyors and evaluators of damage.
5. A Shipping agent shall be entitled to refer to the cargo owner for the costs of removing labels from the containers, cleaning the containers and damage repair, if any, according to the cost schedules declared by the Shipping agent in respect of removing labels and cleaning the containers and a report indicating the cost estimated by containers repair contractor approved by the Shipping Agent.
6. A Shipping agent shall not be entitled to apply systems of fees collection contrary to the foregoing. If the Shipping agent violates this requirement, Mawani shall be entitled to impose a fine, suspend or cancel the license.

Third: Receipt and Delivery the Empty Containers:

If the Shipping agent delivers the containers to the cargo owners or Marian Freight Forwarders, the letter should be kept on requesting official proof for them and they also should write down their own information such as (name, ID/passport No., address and contact numbers, commercial register No.) and take a copy of a written acknowledgment by the containers' recipient indicating the latter's responsibility for this information, and such acknowledgment must be attested by Chamber of Commerce. In some cases upon mutual agreement, the written acknowledgement of the containers' recipient may be waived provided that the Shipping agent shall bear liabilities resulting from accepting such agreement as follows.v

1. A Shipping agent shall bear all additional costs arising from changing the containers receipt and delivery location agreed upon and included in the notification sent to the cargo owner, the Marian Freight Forwarders, or the tenant.
2. A Shipping agent may charge the container's recipient all costs (loading and discharging) of the containers from and to the transportation means in the return site of containers to include loading and discharging costs for receiving the containers, and loading and discharging costs at the time of returning the containers in case there is a written agreement signed by parties.

Fourth: Costs collected by Shipping Agent s locally:

1. These are the costs collected by the Shipping Agent s locally whether permanently or temporarily and regardless it benefited the Shipping agent or the shipping line, and whether they were mentioned or not in the bill of lading or the manifest of cargo or the shipment fees, of whatever name or purpose of imposing.
2. A maximum of SAR 325 (three hundred twenty five Saudi riyals) shall be allocated for issuing delivery order, which shall include all expenses and costs related to the issuance in terms of the Shipping Agent , and this shall not include costs and expenses related to the other bodies related to issuing the delivery order, and amount of issuing the delivery order shall be from the Shipping Agent 's sources of income.
3. A Shipping agent shall not impose any additional amounts at the time of cost recovery for any service included in the regulation of fees and services of Mawani or any other related bodies. In addition, he shall be entitled to recover the value of the service according to the value stated and declared in the regulation of fees and services of Mawani or the regulations declared by other bodies for this service. A fine shall be imposed, or license shall be suspended or cancelled if the Shipping agent collects such additional amounts in contrary to what was stated.
4. Mawani shall have the full right to refuse any costs and fees for insufficient reasons and grounds for being imposed by the Shipping agent and also as Mawani considers fit.

Fifth: Failure of the Shipping agent to issue and deliver the delivery order to the cargo owner:
A Shipping agent shall be entitled to refrain from issuing and handing over the delivery order to the cargo owner in any of the following cases:

1. Failure of cargo owner to submit the original bill of lading.
2. Failure of shipper to give instructions in respect of delivering the shipment without submitting the original bill of lading and meeting all requirements in accordance with applicable procedure by the shipping line.
3. Failure of cargo owner to pay the shipment payable dues such as fees, fines and insurance.
4. Existence of an express and clear stipulation in the maritime transport contract (on the content of the bill of lading) agreed by the shipment parties allowing the Shipping agent to impound the shipment if there is any debt on the same or previous shipments belonging to the same parties to the contract provided that the shipment shall be delivered immediately after settlement of the said debts.
 - Otherwise, the Shipping agent shall not be entitled to refrain from issuing and handing over the delivery order. In case the Shipping agent violates this requirement, Mawani shall have the right to impose a fine, suspend or cancel the license.

Sixth: Shipping agent refrainment from issuing and delivering the bill of lading to the cargo owner:

A Shipping agent shall be entitled to refrain from issuing and delivering the bill of lading to the cargo owner in any of the following cases:

1. The cargo owner fails to pay the shipment payable dues, such as fees and fines.
2. The cargo owner changes the shipping instructions or description of goods contrary to the laws and directives applicable in the Kingdom.
 - Otherwise, the Shipping agent shall not be entitled to refrain from issuing and handing over the bill of lading to the cargo owner. In case the Shipping agent violates this requirement, Mawani shall have the right to impose a fine, suspend or cancel the license.

Seventh: Cargo owner failure to return the empty containers (loss or damage):

1. Cargo owner shall be solely responsible for the safety of containers before the Shipping agent as of time of receipt of the container until the return and delivery thereto to the Shipping Agent .
2. Cargo owner is recommended to insure the container body against potential risks which may lead to the loss or damage of the container.

In case of failure to return the container due to its loss for any reason, the cargo owner shall carry out the following:

1. Once informed of the loss of container, the cargo owner shall notify the maritime the agent of same.
2. Once informed of the loss of container, the cargo owner shall report to the competent authorities.
3. Once informed of the loss of container, the cargo owner shall notify the insurance company thereof.
4. The cargo owner shall provide the Shipping agent with a copy of the report submitted to the competent authorities.
5. The Shipping agent shall have the right to refer to the cargo owner for the value of the container according to the former's records and which shall not exceed the value of the said container in accordance with Article (28), Paragraph (Second/c) above (Schedule of Containers Values) whichever is less.
6. The Shipping agent shall be entitled to refer to the cargo owner for the value of the delay fees due on the container till the date recorded in the report provided to the competent authorities or Shipping agent notification date, whichever is later.
7. The Shipping agent shall, having completed the settlement with the cargo owner, issue a final discharge to the cargo owner releasing him from any future claims related to the lost containers.

In case of failure to return the container due to extensive damage to the container, the cargo owner shall carry out the following:

1. Once informed of the extensive damage of container, the cargo owner shall notify the Shipping agent thereof.
2. The cargo owner shall submit a report to the competent authorities indicating the causes of the damage.
3. The Shipping agent shall be entitled to inspect the wreckage of container to verify the extensive damage of the container.
4. The Shipping agent shall be entitled to refer to the cargo owner for the value of the delay fees due on the container to the date recorded in the report provided to the competent authorities or Shipping agent notification date, whichever is later.
5. The Shipping agent shall have the right to refer to the cargo owner for the value of the container according to the former's records which shall not exceed the value of the said container in accordance with Article (28), Paragraph (Second/c) above (Schedule of Containers Values) whichever is less.
6. The Shipping agent shall, having completed the settlement with the cargo owner, issue a final discharge to the cargo owner releasing him from any future claims related to the damaged containers.

Eighth: Cases of loss or non-availability of original bills of lading:

In case of loss or non-availability of the original bills of lading, the applicable procedure to deliver the shipment, taking into consideration procedures and requirements of the Shipping agent or his shipping line in such cases, shall be as follows:

1. Cargo owner shall notify the Shipping agent in writing of the loss or non-availability of the original bill of lading stating the reasons why the cargo owner believes they are related to the loss or non-availability of the original bills of lading.
2. Cargo owner shall notify the cargo shipper in writing of the loss or non-availability of the original bill of lading stating the reasons why the cargo owner believes they are related to the loss or non-availability of the original bills of lading.
3. Cargo owner shall submit the necessary undertaking according to the form specified by the Shipping agent or the shipping line to disclaim responsibility towards any claims, legal consequences or disputes which may arise whether such claims, legal consequences or disputes are local or international ones resulting from shipment delivery without providing its original bills of lading to the Shipping agent or shipping line.

General rules for cases of original bills of lading loss:

- Shipping agent or shipping line shall be entitled to, in all cases, refer to the consignor / shipper in order to know the total value of the shipment according to the consignor's records. If the total price of the shipment is more or less than what is provided by the consignor, the Shipping agent or shipping line shall be entitled to take the greater value when determining the value of the bank guarantee.
- The Shipping agent must keep records related to all cases of shipment delivery made without an original bill of lading and shall also keep a copy of all required documents.
- In case a bill of lading is lost due to theft, an official report shall be submitted to the competent authority. In addition, the Shipping agent shall be given a copy of such report after registering same with the competent authority. The remaining procedures shall be followed as mentioned above.

Ninth: Shipping agent delay in handing over the delivery order:

1. Should the Shipping agent delay issuing the delivery order to the cargo owner 24 (twenty four) after the ship arrival without any force majeure, Mawani shall be entitled to impose a fine on the Shipping Agent .
2. If cargo owner is directly affected due to the Shipping Agent 's delay in issuing the delivery order, the Shipping agent shall bear the damage cost incurred to the cargo owner.
3. Cargo owner shall be responsible for proving the damage incurred to him using all available means and supporting documents.
4. The Shipping agent shall, in general, bear the demurrage charges in the port (demurrage) if it proven that delay in giving customs clearance to the shipment is ascribed to the Shipping Agent .

Tenth: Notifying the cargo recipient of shipment arrival:

1. The Shipping agent must notify the cargo recipient of the expected date of arrival of the freight ship before its arrival with sufficient time, not less than (48 hours from the ship arrival to the port).
2. In case the cargo recipient does not appear to receive the delivery order, the Shipping agent shall continue sending advice of freight arrival every 10 (ten) days from the arrival date of the ship of the freight for period not exceeding 30 (thirty) days from the ship arrival date.
3. In case of the cargo recipient does not appear to receive the delivery order or if he fails to state reasons for not appearing to receive the delivery order 15 (fifteen) days after the freight arrival date for the perishable cargo and 30 (thirty) days for the other cargos, the Shipping agent shall co-ordinate with the outsourced contractors and customs authority to transfer the freight to the unclaimed merchandise area in the port.
4. Addresses, contact numbers, fax number and email address mentioned in the bill of lading or the manifest of cargo shall be used to notify the consignee of the expected arrival date of the ship.
5. The Shipping agent shall not be responsible for any consequences in case the addresses, contact numbers, fax number and email address mentioned in the bill of lading or the manifest of cargo given to the shipping line by the consignor are not correct or missing.

6. The Shipping agent shall be responsible for proving the advice service using all available means, or for proving his compliance with the terms and conditions stated in the bills of lading in connection advising the cargo recipient of freight arrival; otherwise Mawani shall impose a fine, suspend or cancel the license.

Article (29): Annual Reports

The Shipping agent must submit a detailed annual report showing the volume of business during the year to the Licensing Department at Mawani. If such report is not submitted within four months from the end of the fiscal year, Mawani shall be entitled to impose a fine, suspend or cancel the license.

Article (30): Parties of the Maritime Transport Contract

Any waivers and assignments regarding this Regulation in terms of rights and obligations between the parties of the maritime transportat contract must be in writing and signed by all related parties.

Article (31): Approval of the Regulation and Amendment

This Regulation and its amendments, whether by omission, addition or cancellation, shall be approved by the Board of Directors or those acting on its behalf.

Article (32): Validity of Regulationt

Provisions of this Regulation shall become effective within 30 (thirty) days from its issuance date. Further, any and all what is contradictory to the provisions herein stated shall hereby be repealed. Before this Regulation is issued, Shipping Agent s who have obtained licenses must reconcile their status and adapt with the controls stated in this Regulation within period of three months from its issuance date.

Article (33): Violations and Fines

1. Violation of Article (7) Paragraph (d):

In case of violation, a fine of SAR 500 (five hundred Saudi riyals) shall be imposed for each day of delay calculated from the day following the expiration date of the license.

2. Violation of Article (11):

Without prejudice to the provisions stated in Article (11), in case of violation, a fine of SAR 3000 (three thousand Saudi riyals) shall be imposed per day as of the date of the shipment arrival to the date of return to its origin, destruction or disposal, in addition, each day shall be treated as independent violation.

3. Violation of Article (12), Paragraph (a):

Without prejudice to the provisions stated in Article (12), a fine shall be imposed for each unpaid invoice within the specified period in this Article as follows:

No	Invoice Amount (in SAR)	Fine for Each Invoice (in SAR)
1	2,000 to 10,000	500
2	10,001 to 25,000	1,250
3	25,001 to 50,000	2,500
4	50,001 to 100,000	5,000
5	100,001 to 200,000	10,000
6	200,001 to 500,000	25,000
7	More than 500,000	50,000

4. Violation of Article (14):

1. Warning.
2. A fine not less than SAR 500 (five hundred Saudi riyals), and not more than SAR 50,000 (fifty thousand Saudi riyals).
3. Suspending the license for a period not exceeding 12 (twelve) months from the date the violation occurred.
4. Cancelling the license.

5. Violation of Article (20):

1. Warning.
2. A fine not less SAR 500 (five hundred Saudi riyals), and not more than SAR 50,000 (fifty thousand Saudi riyals).
3. Suspending the license for a period not exceeding 12 (twelve) months from the date the violation occurred.
4. Cancelling the license.

6. Violation of Article (24):

In case of violation, a warning is given, and/or a fine of SAR 25,000 (twenty five thousand Saudi riyals) is imposed, or the license is suspended for a period not exceeding 12 (twelve) months or the license is cancelled.

7. Violation of Article (26):

1. A fine of SAR 50,000 (fifty thousand Saudi riyals) is imposed for per shipment.
2. In case of recurrence, the previous fine shall be imposed together with a suspension of license for a period not exceeding 12 (twelve) months.
3. In case of continuity of violation, a fine shall be imposed and the license shall be cancelled.

8. Violation of Article (28), Paragraph (First):

1. In case of violating clause (a), fine of SAR 25,000 (twenty five Saudi riyals) shall be imposed for each bill of lading.
2. In case of violating clause (b), a fine of SAR 2,000 (two thousand Saudi riyals) shall be imposed for each receipt voucher of container insurance.
3. In case of violating clause (g) regarding the value of container insurance amount by advising only without collection, the fine shall be SAR 50,000 (fifty thousand Saudi riyals).
4. In case of violating clause (g) regarding the value of container insurance amount by actual collection, the fine shall be SAR 3,000 (three thousand Saudi riyals) per container for which an amount of insurance exceeding what is mentioned in value of insurance amount was collected.
5. The Shipping agent shall be required to refund any amounts collected contrary to the provisions stated in paragraph (First) to cargo owners.

9. Violation of Article (28), Paragraph (Second):

1. In case the Shipping agent violates the delay fees by increase or the periods exempted from the fees for delayed return of containers/ trailers by reduction, contrary to that Paragraph by actual collection of delay fees, a fine of an amount equivalent to twice the amount collected by the Shipping agent for each container, and each container shall be treated as an independent violation.
2. In case of violating clause (2), a fine of SAR 10,000 (ten thousand Saudi riyals) shall be imposed for each violation, and each container to which values or periods contrary to what is stated apply, shall be treated as an independent violation and the Shipping agent shall be required to refund the amounts of fees collected for the recipient or shipper.
3. In case of violating clause (6), a fine of SAR 10,000 (ten thousand Saudi riyals) shall be imposed for each violation. In case of continuity of the violation, the license shall be suspended or cancelled.

6. Violation of Article (24):

In case of violation, a warning is given, and/or a fine of SAR 25,000 (twenty five thousand Saudi riyals) is imposed, or the license is suspended for a period not exceeding 12 (twelve) months or the license is cancelled.

10. Violation of Article (28), Paragraph (Fourth):

1. In case the Shipping agent violates provisions stated in Paragraph (Fourth) by actual collection, a fine equal to twice the amount collected by the Shipping agent shall be imposed for each container, and each container shall be treated as an independent violation.
2. In case the Shipping agent violates the provision stated in clause (3) by advising only, a fine of SAR 50,000 (fifty thousand Saudi riyals) shall be imposed.
3. In case the Shipping agent continues violating the provisions stated in clause (3), the license shall be suspended or cancelled.
4. The Shipping agent shall be required to refund any amounts collected contrary to the provisions stated in paragraph (Fourth) to cargo owners.

11. Violation of Article (28), Paragraph (Fifth):

1. A fine of SAR 2,000 (two thousand Saudi riyals) shall be imposed for each delivery order the Shipping agent refrains from issuing or delivering to the cargo owner.
2. In case the Shipping agent continues violation, the license shall be suspended or cancelled.

12. Violation of Article (28), Paragraph (Sixth):

1. A fine of SAR 2,000 (two thousand Saudi riyals) shall be imposed for each bill of lading the Shipping agent refrains from issuing or delivering to the cargo owner.
2. In case the agent continues violation, the license shall be suspended or cancelled.

13. Violation of Article (28), Paragraph (Ninth):

In case the Shipping agent violates the provision stated in clause (1), a fine of SAR 100 (one hundred Saudi riyals) shall be imposed for each delivery order for each day the Shipping agent delays issuing and delivering the delivery order 24 (twenty four) hours following the arrival time of the ship.

14. Violation of Article (28), Paragraph (Tenth):

In case of violating clause (6), a fine of SAR 1,000 (one thousand Saudi riyals) shall be imposed for each advice if the Shipping agent fails to notify.

15. Violation of Article (29):

In case of violation, a warning is given, or a fine of SAR 5,000 (five thousand Saudi riyals) shall be imposed, or the license shall be suspended for a period not exceeding 12 (twelve) months or the license shall be cancelled.