Business compliance achieved through FIATA’s best practice

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FIATA by numbers

All below figures are dated 2011

10 million FTE’s

40,000 companies

Over 1 million FBL’s

150 countries
Description of services

* From the FIATA website:

“Freight Forwarding and Logistic Services” means services of any kind relating to the carriage (performed by single mode or multimodal transport means), consolidation, storage, handling, packing or distribution of the Goods as well as ancillary and advisory services in connection therewith, including but not limited to customs and fiscal matters, declaring the Goods for official purposes, procuring insurance of the Goods and collecting or procuring payment or documents relating to the Goods. Freight Forwarding Services also include logistical services with modern information and communication technology in connection with the carriage, handling or storage of the Goods, and de facto total supply chain management. These services can be tailored to meet the flexible application of the services provided.
As a partner of shippers and carriers the freight forwarder is able to conciliate the different interests and views of the parties involved in the transportation chain with its expertise and market competency.

- The freight forwarder deploys a brokerage assistance by bringing the interests of shippers and carriers more in line with each other by drafting contracts and arranging transportation in accordance with the interests of both parties.

- The freight forwarder facilitates market access by providing consolidation and de-consolidation services, where it acts as principal for both shippers and carriers.

- The freight forwarder fills all possible service requirements to the full range of shippers’ demand, regardless of modes and domains.

- To achieve these results freight forwarders work with corresponding partners which create a collaborative logistics network.
Freight forwarders must be familiar with different means of transport and are aware of the many differences that still exist:

- in the laws and rules in different countries or areas;
- in the legal status of the different actors in the transport chain;
- in the conventions and regimes in different transport modes;
- in the liabilities of different actors of different transport modes.
- In the working mores and habits of the SC parties/partners

Some see such differences as shortcomings, but freight forwarders take them as facts of life and work around them.

We must comply with many, many different rules weights and dimensions, social and safety rules, competition rules, trade restrictions rules, generalised and particular systems of preference, etc.

This means that knowing the rules and complying with them is very important for conducting good business in freight forwarding.
**What is compliance?**

* The on-line Business Dictionary Definition
  * Certification or confirmation that the doer of an action (such as the writer of an audit report), or the manufacturer or supplier of a product, meets the requirements of accepted practices, legislation, prescribed rules and regulations, specified standards, or the terms of a contract.

* The Cambridge on-line Dictionary Definition:
  * The fact of obeying a particular law or rule, or of acting according to an agreement

* Examples of what can be done:
  * Chinese Business Leasers’ Forum’s Business Integrity Handbook
  * the EU explanation of compliance to competition rules.

* FIATA advocacy is the most important protection of our sector from unacceptable and cumbersome regulations, but it is a VERY difficult work, which often goes undetected.
FIATA’s statutes enshrine the following objective under article 2:

**Being active in the determination of customary usage/regulations in international business.**

→ *FIATA produces standard documents, standard model rules and standard VT instruments*

FIATA encourages **ALL** efforts deployed to create additional facilitation for traders in general and logistics service providers in particular, and it is ready to promote better business models throughout its vast constituency.
Trade Facilitation & FIATA documents

- FIATA has created several documents and forms to establish a uniform standard for freight forwarders worldwide
- Each document has a distinctive colour and carries the FIATA logo
- All FIATA documents will be made available electronically

FIATA documents are multimodal native
The Compliance Statement

FIATA branding is a powerful instrument to

* Suggest accountability and good practice
* Ensure adherence to state of the art international standard
* Promote the image of the compliant freight forwarder with authorities and business partners alike

The ability to issue model rules has a long history in FIATA, all are public for all Members to use.

The new Business Integrity Statement is a further step in the enhancement of the image and prestige of our companies.
In conclusion

- Freight forwarders and Logistic providers must be well informed and hands-on toward all trade related requirements and rules
- FIATA takes a two tier approach
  - Its strongly advocates with UN and other legislative bodies to negotiate best conditions for our sector
  - It adopts a practical approach to provide members with instruments that help them comply with the existing rules.
- Please help us improve the knowledge and expertise of our sector by joining forces at association level and individual membership to achieve

THE BETTER BUSINESS OF THE FUTURE!
MORE INFORMATION?

www.fiata.com

Thank you!