

# Rules and Procedures

## Rule 1. General Obligations

Members agree to protect the interests and reputation of WFCOA within their territories by upholding the highest standards of integrity, quality and customer service.

1.1. The Agents shall actively co-operate in international freight forwarding and logistics services for shipments moving between their respective territories. Each agent of the alliance will provide or arrange full logistical services necessary for the movement of freight, via air or ocean or any other means, including ancillary support services and timely preparation and transmission of related documentation and/or electronic data.

- a. Each agent will name the other as consignee on any Master Air Waybill, House Air Waybill, Master Ocean Bill of Lading or House Bill of Lading.
- b. The agents agree not to accept co-load cargo from or on behalf of other freight forwarders without first obtaining the consent of the other.
- c. The agents agree that the giving of credit for any freight charge is solely the liability of the agent extending such credit.
- d. All requests for information will be actioned upon receipt by the agent.

1.2. **Reporting violations** Members will notify WFCOA organization when they know or suspect that other members are engaged in dubious business practices of any kind, such as charging significantly higher rates than the average market rates in their territories, providing poor service to their customers, or neglecting their responsibilities to other members.

## Rule 2. Finding members of WFCOA

Members will use the Agent Finder tool to locate agents in the pick-up or delivery location of their shipments.

2.1. **Procedure for finding a member:** When wanting to locate a member representing the alliance in a particular territory, enter the name of the pick-up or delivery city in the search box of the Agent Finder tool in WFCOA Intranet. The name and location of the nearest members will appear, along with the distance in kilometres between the member's location and the origin/destination of the shipment, and a map showing the two locations. Special Case: When a customer's contact person is in a location different from the city of pickup or delivery, preference will be given to the member at the location nearest to the contact person, with a view to future sales visits.

## Rule 3. Informing members of local charges and rates - highly recommended

\* Providing local rates and charges is NOT mandatory, however it is highly recommended;

To speed up response times and help to secure new business, members can, as an option, provide WFCOA with a list of their current local charges for departure/arrival of air/sea shipments.\* These charges can be posted in the password-protected intranet for other members to view when preparing quotations.

3.1. **Contents:** This list will include:

- Air import/export
- FCL import/export
- LCL import/export
- THC
- Port Taxes
- Customs Clearance
- Inlands to/from ports/airports

3.2. **Exception:** Members may negotiate rates for large-volume and complex shipments.

3.3. **Confidentiality:** Rates published in the password-protected intranet by members are confidential and other members will not disclose them to third parties. In the event of disclosure, the offending member will be expelled from the network.

## Rule 4. Admission of new members - Membership application procedure

A freight forwarder wishing to join WFCOA will complete the online Membership Application form, and will supply all the data and additional documents that may be specified. If selected as a potential member, the applicant will complete and return the Membership Agreement (duly signed and stamped) and the optional Local Charges form.

### 4.1. Screening of Applicants

4.1.1: Freight Forwarders are eligible to join WFCOA based on market status, company size, specialist operations, and existing network affiliations. Companies must be in business as freight forwarders for a minimum of 3 years.

4.1.2: WFCA will allow up to a maximum of 5 members in each city unless in well-developed areas where the maximum will be 20 members.

4.1.3 Insurance: Coverage by Errors and Omissions and Freight Service Liability insurance, as detailed below, is optional but highly recommended:

4.1.3.1. Insured Services:

- Freight Forwarder acting as Agent (Road, Sea and Air)
- Freight Forwarder acting as Principal (Road, Sea and Air)
- Non Vessel Operating Cargo Carrier (NVOCC)

4.1.3.2. Trading Areas: Worldwide

4.1.3.3. Limit of Liability:

- Errors and Omissions minimum coverage limit: 50,000 USD per incident or occurrence
- Freight Service Liability minimum coverage limit: 200,000 USD per incident or occurrence

4.2. Notification and Admission:

4.2.1. Notification: WFCA organization will decide on new applications and notify the applicant of its decision in writing within approximately 15 days.

4.2.2. Admission: Upon agreement of the rules and regulations laid out in the Membership Agreement, WFCA will admit the new member who will thenceforth hold rights to operate as WFCA member in the city and/or territory assigned by WFCA as long as it meets its obligations as set forth in the Membership Agreement and Rules and Procedures. All existing members will be notified of the admission of the new member.

4.2.3. Listing: An Agent Profile of each member will be published in the Agent Finder section of WFCA's password-protected intranet, and will be accessible to other members. This listing will include the member's trading name, location, contact details, local charges (optional), along with other pertinent information, such as any special capabilities or services offered.

## Rule 5. Annual membership fee and Payment Protection Program(PPP) contribution

Members who intend to continue as members for another year must order a bank transfer to pay the full amount of the next year's membership fee. If they choose to participate in the Payment Protection PProgram (PPP), they must send a separate transfer of 500 USD in payment of the first annual contribution to the PPP.

5.1. Membership fee amount: The annual membership fee for each territory is 2000 USD. The Membership fee will be revised each year..

5.2. Discounts for referrals: Members who recommend other qualified freight forwarding agents as candidates to join WFCA will obtain a 25% discount on their next membership fee for every successful candidate. For those wishing to participate, a Referral Program Form is available in WFCA intranet.

5.3. PPP contribution amount: The annual fee for participation in the PPP will be 500 USD. This amount will be revised each year. Full details of the PPP are available on WFCA website under [Payment Protection Program \(PPP\)](#).

5.4. Participation in the PPP: Full members (those who have paid the membership fee and PPP) who are in good standing with World Food Cargo Alliance will be covered by the PPP. Agents will lose their coverage if they resign or are expelled from World Food Cargo Alliance for infringing the rules.

5.5. Invoice and payment: Annual membership fee and PPP contributions will be invoiced 30 days before the end of the membership year, and payment by bank transfer will be due before the end of the membership year. There will be an additional expense of USD 50 to cover the bank fees.

5.6. Branch offices: Members may register their branch offices in the same country as the principal member. For each branch they register they will pay only 50% of the published membership fee for the territory and 500 USD annually as the contribution due from each branch office to the PPP.

5.7. Refunds: No refunds of membership fees or contributions to the PPP will be made to a member who has outstanding payment obligations to other members. A member who voluntarily resigns from the network will be refunded 80% of his contribution to the PPP for that year, less a proportion of any claims made against the fund. No part of the annual membership fee will be refunded in the event of a member's expulsion or resignation.

## Rule 6. Termination of membership

Rule 6-A. RESIGNATION: Any member who wishes to resign from the network must notify WFCA of these intentions at least one month before the end of the membership year.

**6-A.1. Late notice:** If the written resignation is received later than 30 days before the end of the membership year, the member will pay the full membership fee.

**6-A.2. Refunds:** Members who resign from the network will be refunded their total contributions to the PPP fund, less:

- 20% of this total, which will be retained by WFCA to cover expenses anticipated to arise in respect of future claims, such as legal or debt collection costs.

- The member's pro rata share of the total monies disbursed to meet claims made against the fund during the period of their membership.

The refund --net of these two amounts-- will be made by bank transfer during the first quarter of the calendar year.

**Rule 6-B. EXPULSION:** Members who are expelled for any of the reasons listed below are liable to forfeit all claims for refund of any part of membership fee and their contribution to the PPP fund.

- Engaging in dubious business practices, rendering poor service, or neglecting responsibilities to other members.

- Failure to seek cooperate with or request cooperation from other members.

- Recurrent late payments of invoices issued by other members.

- Failure to pay invoices issued by other members.

- Failure to attend two consecutive annual conventions.

- Failure to actively contribute to sales promotion.

- Bad faith in a dispute with another member.

- Recurrent violations of any other rules.

## Rule 7. Language and communications

The English language will be used in all business and institutional communications between members. Members will adhere to the following procedures in their e-mail communications with other members and with World Food Cargo Alliance Head Office.

**7.1. Members:** The subject line in all e-mail communications between members must begin with the initials "WFCA", followed by the name of the city of origin, and then followed by the subject of the email, as shown in the following examples:

WFCA - Amsterdam / Air rate to Inchou, Korea

WFCA - Bangkok / 4 \* 40'RF to Shanghai, China

WFCA - Frankfurt / Pre Alert 11 CBM by LCL to Sydney, Australia

**7.2. CQR Organization:** The subject line of all email communications sent by WFCA will begin with "WFCA - Head Office", followed by the message subject, as show in the following example:

WFCA - Head Office / New member in Singapore.

## Rule 8. Sales coordination

All members are obliged to contribute actively to sales promotion and coordination.

**8.1. Sales leads:** Members agree to provide continuous sales, including sales leads and reports and actively engage in mutual promotions of joint services within their respective territory.

**8.2. Response time:** A member receiving a sales lead will acknowledge receipt on the same day. Within five working days the receiving member will contact the customer, visit the customer if necessary, and notify the sending member of the status of the sales lead.

**8.3. Buying and selling rates:** All Members are to actively pursue, investigate and negotiate the best possible net rates and will provide NET/NET buying rates and real selling rates to the other members. For the sake of transparency, at the request of members with whom they have cooperated in a transaction, the corresponding members will furnish copies of the respective invoices received from suppliers and sent to customers.

**8.4. Quotations:** All quotations must show: a) the prices offered by at least two different carriers in order to give the buyer a choice; b) the currency to be used; c) transit time; d) route; e) airline/shipping line.

**8.4.1. Surcharges:** Any applicable surcharges such as BAF, CAF, Fuel, Security, Congestion, War Risk, etc. will be those valid at the time of shipment.

**8.4.2. Additional costs:** The contracting party must be notified of any additional costs that may arise and be asked to approve them. No member may charge for services not specified in the quotation or make extra charges that were not submitted in advance to the approval of the contracting party.

**8.4.3. Quotation response time:** Members will reply promptly to requests for quotations received from other members. Those requests received in the morning will be answered on the same day, and those received in the afternoon will be answered by the following morning at the latest. Special case 1: When it is not possible to determine the exact cost, and/or in the event of complex shipments, members will ask for extra time to prepare the quotation and specify a deadline for submitting it. Special case 2: The maximum period for preparing a quotation for major tenders should never exceed ten working days.

8.5. Profit Sharing: For shipments involving cooperation of two members, the following profit sharing rules will apply unless previously agreed with the partner agent:

8.5.1. FOB charge profits: will not be shared, but withheld by the shipper agent at origin.

8.5.2. Destination charge profits: will not be shared, but withheld by the consignee agent at destination.

8.5.3. Freight: Only the profit made from the freight of the shipment will be shared by the members at both ends, as shown below: Incoterm Profit Share on Freight

Incoterm Profit Share on Freight

EXW 50% / 50%

FCA 50% / 50%

FAS 50% / 50%

FOB 50% / 50%

CFR No Profit Share

CIF No Profit Share

CPT No Profit Share

CFR DAF

DES No Profit Share

DEQ No Profit Share

DDU No Profit Share

DDP No Profit Share

8.5.4. Prepaid cargo: As a general rule members will not share profits earned from prepaid cargo. However, the destination member may handle the shipment and earn a profit by applying market rates to local delivery charges. If the cargo is prepaid but the shipment has been routed, then the destination member will be obliged to share the profit earned on the freight.

8.6. Selling Rates: The member coordinating the shipment shall have the final word on selling rates.

## Rule 9. Payments

**9.1. Means of payment:** All invoice payments will be made by bank transfer. All bank fees will be shared so the sender should choose the option "SHA" (Share) when making a bank transfer, so the sender and the receiver both pay their own fees.

**9.2. Advance notification:** An advance copy of the paper invoice will be sent by e-mail to the member being billed on the date the invoice is issued. The member receiving the invoice will acknowledge receipt of the e-mail.

**9.3. Dates:** The dates shown on invoices must match the departure date for exports and the customs clearance date for imports.

**9.4. Currency:** Payments between members will be made in the currency requested in the invoice. Members may use other currencies only when they have agreed to do so in advance.

**9.5. Disputes:** In the event of dispute over an invoice, the recipient must notify the issuer within 10 working days, clearly explaining the reason for the disagreement. After this period no claim will be accepted. If a dispute over an invoice cannot be solved amicably within 45 days, the complainant must file a complaint to the Dispute Resolution Service.

## Rule 10. Dispute resolution services

**In the event of a dispute between two members that cannot be solved amicably, these members will invoke the Dispute Resolution Service, under the terms and conditions established and agreed by all members.**

**10.1. Agreement to accept resolution:** Members requesting this Dispute Resolution Service agree to accept and abide by the decision of WFCOA Office and to refrain from any further litigation relating to the dispute.

**10.2. Fee:** WFCOA will charge a minimum of 100 USD for rendering this Dispute Resolution Service, to be paid in equal shares by the disputing members. A higher fee will be charged if the services of an attorney, expert witness, or consultant are required. Prior to arbitration, each of the disputing members will receive an invoice from WFCOA for 50 USD, which will be paid by bank transfer.

**10.3. Background:** Each disputing member will send an e-mail to WFCOA Office with details of the reasons of the dispute, along with all supporting evidence.

**10.4. Decision:** WFCOA Office will reach a decision on the dispute and will notify the parties involved within 30 working days of receipt of the last of the relevant documents.

**10.5. Implementation:** Within five business days of receiving notification of the decision reached by WFCOA Office, the two parties will implement the decision.

**10.6. Bad faith:** WFCOA reserves the right to expel any member that is found to have acted in bad faith in the course of a dispute.

## **Rule 11. Attendance of General Annual Meeting(GAM)**

**Attendance of the annual meeting by a principal or an executive delegate of each member company is mandatory. Members must pay the registration fee in advance, and pay their own travel and lodging expenses**

**11.1. Exceptions:** Members who submit proof of circumstances justifying their inability to attend at least 30 days before the convention begins may be excused. However, conflicting commitments such as trips or meetings, or the failure to obtain a travel visa in time for the convention, will not be regarded as valid excuses for failure to attend.

**11.2. Penalties:** Members who fail to attend the conference without a valid excuse (see 11.1., above) will pay WFCOA a penalty of 1,000 USD. Members who fail to attend two consecutive conventions without a valid excuse will be expelled from the alliance.

## **Rule 12. Use of the WFCOA Brand**

**Members will display WFCOA logo along with their own company logo in communications with customers, suppliers and the public in general, both to indicate their membership of the alliance and to promote the brand.**

**12.1. WFCOA logo:** WFCOA logo will be displayed on the member's business cards, e-mail auto-signatures, websites, advertising brochures, invoices, faxes, company vehicles, signs, etc.

**12.2. WFCOA website link:** WFCOA website link ([www.worldfoodcargoalliance.com](http://www.worldfoodcargoalliance.com)) and logo will be displayed on the member's website.

**12.3. WFCOA brand manual:** In using WFCOA logo and other graphic material, members will adhere to the practices prescribed in the Brand Manual that is available in WFCOA Intranet.

**12.4. Refraining from use:** Any freight forwarding company which ceases to be a member of TWFCOA for any reason will refrain thereafter from using WFCOA trade name, brand, logo, and/or other network graphic materials.

## **Rule 13. Advertising & Promotion**

**WFCOA team will assist its members in promoting and strengthening WFCOA brand image to their own advantages and that of all other members.**

**13.1. Member news:** Members are encouraged to send news items to WFCOA PR Coordinator for publication on WFCOA website.

**13.2. Press cuttings:** Members will make copies of news items published on the basis of the press releases and send them to WFCOA PR Coordinator.