

HAFFA ANNUAL REPORT 2020-2021

For

FAPAA 48th Virtual Executive Council Meeting

29th June 2021



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Chairman Report for the Year 2020-2021

Date: 20 April 2021

Dear HAFFA Members,

Over the past year, Hong Kong's economy and many people's livelihoods have been hit hard by the pandemic. All businesses hope that the border will be reopened as soon as possible so as to enable the flow of people and trade to resume. The Government's HK\$300 billion pandemic relief fund has served as a critical lifeline for the business community including our Members. With the vaccination plan now in progress, we hope to see the resumption of local business operations, and may better negotiate with the Mainland on reopening the border allowing the gradual resumption of cross-border business activities. The Association has worked tirelessly to reflect Members' voices at Government-level consultation meetings as you can see our efforts being made in this full annual report including sub-committee reports.

BREAKTHOUGHTS – WE FOUGHT FOR MEMBERS SUCCESSFULLY!!

- Issues under Isolation Requirement for Air Crew:** Recently, in view of Members' report that they observed significant capacity reduction and freight rate rise since the further **tightening on isolation measures for air crew members**, we expressed concerns at meeting with THB, we sent a letter to the THB to call on the Government to relax the isolation arrangements for air crew members in order to solve the manpower allocation issue of carriers. And we also recommended THB to have other anti-epidemic measures for air crew so as to safeguard public health. **In response, the Government agreed to exempt individual local freighter crew who have completed COVID-19 vaccination + 14 days from the self-quarantine requirement.**
- Charter Application:** Some leading vaccine manufacturers announced availability of their vaccines for distribution end of 2020, the potential size of the delivery is enormous, delivering time and temperature-sensitive vaccines would be a big challenge. Hence HAFFA wrote to CAD in December 2020 to call on their **facilitation to handle the charter application for COVID-19 vaccines in top priority** due to its nature of time and temperature sensitiveness. **In response, CAD undertook to continue to provide their full support to us, particularly on the issue relating to the transportation of COVID-19 vaccines.** You may see all industry-related pandemic e-updates through our dedicated COVID-19 corner.

Another two big breakthroughs we fought for Members under ICAO 2021 New Policy Direction were:

- Pilot Subsidy Scheme for Logistics Industry:** which was finally achieved in Q4 of 2020. To re-cap we have urged the Government for funding dedicated to logistics industry to ease the burden under the ICAO screening requirement and the current hardship. Phone survey with all members who are also RACSF to care for their needs. We are so glad the **Government has attached great importance to our industry and responded to HAFFA in a positive manner that they roll-out the scheme in October 2020 to also cover the new X-ray machines and Explosive Trace Detectors (ETD) purchased between 30 October 2018 and 30 June 2021 for the purpose of setting up RACSFs.** Each eligible entity will receive subsidies on a 1:1 matching basis, subject to a cumulative subsidy ceiling of \$1 million. In order to provide potential applicants with the necessary information for the subsidy application, the HKPC, the implementation organization of the scheme, organized a free webinar in November 2020. Apart from the introduction to the pilot scheme and Q&A session, I was invited to be one of the speakers and delivered a topic entitled "Powering the freight and logistics industry to cope with the ICAO challenges through the Pilot Subsidy Scheme". So far, many Members have applied for the Subsidy to enjoy the huge benefit.

- (4) **Update list of RA and RACSF:** HAFFA internal survey revealed that about 70% of Members that have airfreight business are engaged in co-loading business. And according to the RAR's handling procedures, it is the responsibility of RAs to check the RA status of their partnering RA(s) against the Register of RA when they engage in the co-loading business. In response to Members' suggestion, HAFFA requested CAD for the provision of the list of changes indicating any company(ies) newly added to or removed from the Register of almost 1,500 RAs. It is gratifying to update Members that CAD has responded to HAFFA in a positive manner, **we have fought for Members successfully to receive the latest update from CAD, this will greatly facilitate Members for the compliance of RAR given they could get alerted much earlier particularly when they do business with those forwarders whose RA status may have lately been removed by the CAD. There is no need for Members to do the difficult ground work of comparing the old and new list from now on.** Besides, given over 80% of air shipments are screened upstream at RACSFs, it would also be helpful if Members can get access to such list highlighting the name of RACSFs that are newly added to or removed from the Register of RACSFs for business plan and easy reference.

I would like to take this special opportunity to highlight other achievements that HAFFA has been able to attain for Members under CAD RACSF.

HAFFA attended the CAD RACSF regular review meetings right from the beginning of policy announcement in 2018 until now. The Association has been monitoring the situation regarding the transitional arrangements and providing professional advices on various matters including but not limited to the revised RASP, revised RAR Handling Procedures, de-registration / suspension mechanisms of non-compliance / deficiencies handling and so forth. During the consultation processes with SB, CAD, AAHK, 3 CTOs, CLG, HKSC, HKPC, HAAT, AVSECO, and Secure Net vendors, we endeavored to strive for the best interest of Members and at the same time took into consideration the fairness to those Members who have strictly complied with the requirements. Regarding communications with Members, timely issuance of News and Special Circulars to Members, and real-time posted under ICAO topical website. Update of the FAQ living documents to address members' concern (e.g. HAFFA consolidated a long list of commodities that are difficult or cannot be screened by X-ray machine provided by Members and requested CAD to obtain a clear guidance) and we have answered many members' phone calls and followed up on members' enquiries (e.g. CX new certification program and clarifications on US TSA policy direction). **It is gratifying to learn that apart from some "teething troubles" which were cooperatively resolved, in general the operations appear to have coped quite smooth as Members being RA and/or RACSF and the industry have entered into 100% screening of air cargo since 1st March 2021.**

In regards to lobby the Government to provide relief measures to the industry, we are pleased to see that the Financial Secretary has incorporated our suggestions including reducing profit tax and extended the SME Financing Guarantee Scheme. These measures may help Members to moderate their cash flows and maintain essential levels of liquidity. The additional allocation of HK\$1 billion for the Distance Business Programme is especially supportive of Members that aim to embrace digitization and the expansion to serve clients in the arena of e-commerce.

The Association also plays an important role in representing the Hong Kong freight forwarding and logistics industry on an international level. **HAFFA is the only recognized body** representing our Members' interests in Hong Kong at meetings of the IATA, FIATA, IFGB and Federation of Asia-Pacific Air Cargo Associations (FAPAA). The COVID-19 outbreak has caused a difficult business environment for both freight forwarders and airlines with a severe economic and financial impact for both alike. Under these unprecedented circumstances it has become more burdensome for the industry to replace Bilateral Bank Guarantee (BBG) by IBG from 01 July 2020 onwards. As such, **HAFFA brought out the concerns to IATA and after lengthy deliberations IATA agreed for an extension of the 12 months trial period of AFR to a total of 24 months in order to minimize the impact on the industry amidst the hardship.**

For details of the above, and the activities of the many sub-committees, please refer to the other solid reports of various sub-committees in the annual report. We welcome Members to share their opinions and suggestions with us, members of the HAFFA Committee and secretariat, which we shall do our best to pass on to the Government as HAFFA will continue to play an effective role as the bond and bridge between Government, trade bodies and our Members.

The second half of 2021 will be a challenging time for us all as we are facing increased pressures from fluctuating pandemic. The forecast for 2021-2022 is that the capacity will remain quite tight and air/sea freight rates will stay at very high levels, Members need to maintain close communications with their carriers and shippers, and keep themselves up-to-date on the market situation through HAFFA News, news and business reports. The best way we can move forward is by supporting one another in unity and sharing our insights so as to protect businesses, protect jobs and help people cope with adversity under the impact of COVID-19 on supply and demand chains.

The world will be a place with a new supply chain pattern a new norm capturing cross-boundary e-commerce opportunities, targeting high-value cargo and fast-growing temperature-controlled cargo. HKIA being the world's busiest airport in international air cargo, dedicated cold-chain facilities for seamless temperature-controlled transportation and globally certified pharmaceutical handling, we believe Hong Kong is ideally positioned to benefit from the Mainland's growth and the opportunities emerging in Southeast Asia.

Last but not least, we hope to continue work together in UNITY preventing, mitigating and resolving the issues will be key to maintaining trust – with Government, shippers, carriers, CTOs and all stakeholders to make new contributions to the sustained development of the international freight forwarding industry in Hong Kong, in the Asia Pacific Region and indeed throughout the world. It will be ultimate key to building a world of greater resilience. I would like to express my pride and appreciation for the strong support we have received from you and every HAFFA Member, the most devoted HAFFA Committee Members, the secretariat staff, our Government and industry partners.

Yours truly,



Brian Wu
Chairman

AIRFREIGHT SUB-COMMITTEE

Chairman:	GOLDEN JET FREIGHT FORWARDERS LTD – Mr. Gary Lau
Vice Chairman:	RCS LOGISTICS LTD – Mr. Patrick Yip
Members:	CHINA FREIGHT (HONG KONG) LTD
	COMBINED LOGISTICS (HONG KONG) LTD
	CTI LOGISTICS (HK) CO., LTD
	CTS INTERNATIONAL LOGISTICS CORPORATION (HK) LTD
	DIVERSIFIED FREIGHT SYSTEM LTD
	FORWARD BY NORMAN LTD
	INFINITY CARGO EXPRESS LTD
	KERRY FREIGHT (HONG KONG) LTD
	NAF NORTHERN OCEAN FREIGHT LTD
	TRIMANSON EXPRESS LTD
	WEN-PARKER LOGISTICS (H.K.) COMPANY LTD
	DHL GLOBAL FORWARDING (HONG KONG) LTD
	RHENUS LOGISTICS HONG KONG LTD

I. Liaise with the Civil Aviation Department (CAD)

A. Air Cargo Security – ICAO New Policy Direction

Transitional Arrangement for ICAO New Policy Direction

HAFFA attended the regular review meetings organized by the CAD right from the beginning of policy announcement in 2018 until now. The Association has been monitoring the situation regarding the transitional arrangements and providing professional advices on various matters including but not limited to the revised Regulated Agent Security Programme, revised Handling Procedures for RAR, mechanisms of non-compliance / deficiencies handling and so forth. During the consultation processes, we endeavored to strive for the best interest of Members and at the same time took into consideration the fairness to those Members who strictly comply with the requirements.

It is gratifying to learn that apart from some “teething troubles” which were cooperatively resolved, in general **the operations appear to have coped quite smooth as Members being RA and/or RACSF and the industry have entered into 100% screening of air cargo since 01 March 2021**. Members are welcome to contact the secretariat in case you have experienced specific issues that you are having difficulty in resolving. The Association will channel Members’ views to the respective parties and help if deemed appropriate.



Source: web photos

Pilot Subsidy Scheme Dedicated to Logistics Industry

HAFFA has relentlessly fought for financial subsidy for Members since Q4 of 2018 to lessen their burden arising from the implementation of ICAO 2021 Policy. We are so glad the **Government has attached great importance to our industry and responded to HAFFA in a positive manner that they introduced a pilot subsidy scheme in October 2020 to also cover the new X-ray machines and Explosive Trace Detectors (ETD) purchased between 30 October 2018 and 30 June 2021 for the purpose of setting up RACSFs.** Each eligible entity will receive subsidies on a 1:1 matching basis (i.e. Government: 50%; Applicant: 50%), subject to a cumulative subsidy ceiling of \$1 million.

Details: <https://www.hkpc.org/zh-HK/tplsp>

第三方物流服務供應商資助先導計劃



In order to provide potential applicants with the necessary information for the subsidy application, the Hong Kong Productivity Council (HKPC), the implementation organization of the scheme, organized a free webinar on 02 November 2020. Apart from the introduction to the pilot scheme and Q&A session, three guest speakers were invited to share their insights related to the scheme. **The HAFFA Chairman was one of the speakers who delivered a topic entitled “Powering the freight and logistics industry to cope with the ICAO challenges through the Pilot Subsidy Scheme”.**



Practical Guidelines to Screen those Commodities that are difficult or cannot be screened by X-ray machine

HAFFA consolidated a long list of commodities that are difficult or cannot be screened by X-ray machine provided by Members and requested CAD for guidance. In response to HAFFA's request, CAD sought advice and best practice from many foreign authorities, and established guidelines on the alternative methods for screening such cargo. The relevant CAD notices were issued to all RAs and RACSFs on 28 August 2020. CAD's separate advice on the said list of commodities and other questions raised by Members was incorporated in the HAFFA FAQ living document that was circulated to all Members on 07 September 2020.



Source: web photos

Guidelines and more information are available at ICAO corner:

[After login] <https://www.haffa.com.hk/portal/Page/Default.aspx?id=1144>

B. Requesting CAD for the List of Changes in the Register of RA/RACSF

The HAFFA internal survey revealed that about 70% of Members that have airfreight business are engaged in co-loading business. And according to the RAR's handling procedures, it is the responsibility of RAs to check the RA status of their partnering RA(s) against the Register of RA when they engage in the co-loading business.

In response to Members' suggestion, HAFFA requested CAD for the provision of the list of changes indicating any company(ies) newly added to or removed from the Register of almost 1,500 RAs. It is gratifying that CAD has responded to HAFFA in a positive manner, we have fought for Members successfully to receive the latest update from CAD, this will greatly facilitate Members for the compliance of RAR given they could get alerted much earlier particularly when they do business with those forwarders whose RA status may have lately been removed by the CAD. From now on, Members are no longer need to do the ground work of comparing the old and new list.

Besides, given over 80% of air shipments are screened upstream at RACSFs, it would also be helpful if Members can get access to such list highlighting the name of RACSFs that are newly added to or removed from the Register of RACSFs for business plan and easy reference.

With effect from 14 April 2021, the lists are posted onto HAFFA website under login area. Members are highly encouraged to login and check it out regularly.



★ *Get the latest list of changes in RA/RACSF Register* ★

[After login] <https://www.haffa.com.hk/portal/Page/Default.aspx?id=123>



(1) For changes in the Register of RAs

The full list of valid RA and list of changes (newly added or removed) in .xlsx file format as at one day before the date of posting, will be uploaded onto the above webpage on every working days (Mon – Fri except Public Holidays).

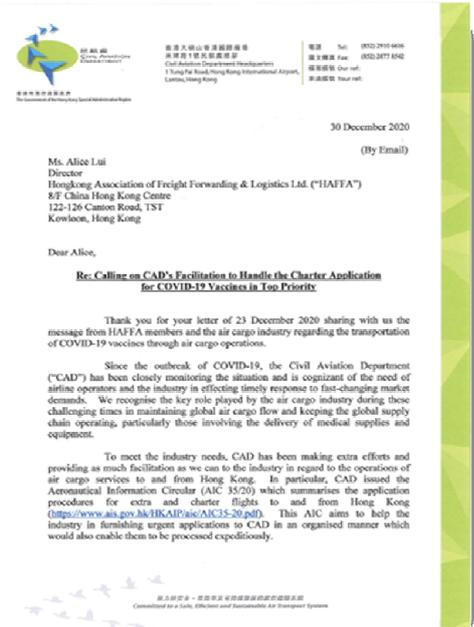
(2) For changes in the Register of RACSFs

The list will be posted only when there is any company(ies) newly added to or removed from the Register of RACSFs, which happens sporadically.

C. Calling on CAD's Facilitation to Handle the Charter Application for COVID-19 Vaccines in Top Priority

Starting from end of year 2020, some leading vaccine manufacturers gradually announced availability of their vaccines for distribution, and the potential size of the delivery is enormous. The IATA has estimated that just providing a single dose to 7.8 billion people would fill 8,000 747 cargo aircraft. Delivering the time- and temperature-sensitive vaccines would be an opportunity as well as a big challenge.

The industry has been in touch with the operators which would seek to deploy as much capacity as possible, including special charter operations to meet the huge demand. To this end, on behalf of the industry, **HAFFA wrote to CAD in December 2020 to call on their facilitation to handle the charter application for COVID-19 vaccines in top priority due to its nature of time and temperature sensitiveness. In response, CAD undertook to continue to provide their full support to the industry, particularly on the issue relating to the transportation of COVID-19 vaccines.**



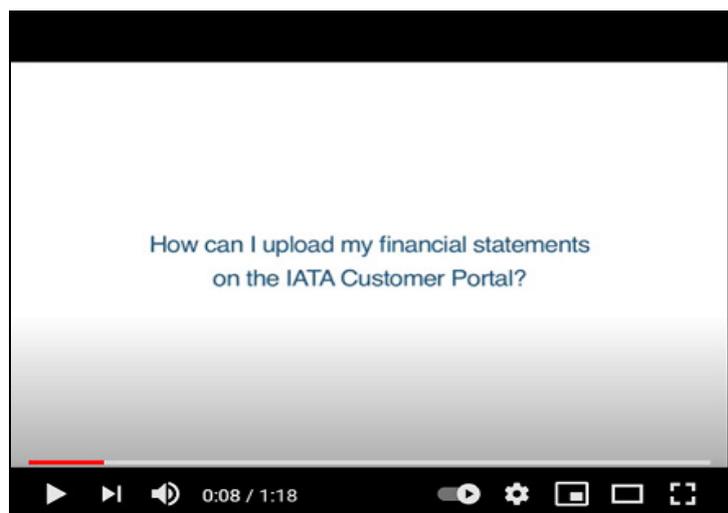
II. Liaise with International Air Transport Association (IATA)

A. Extension of the Trial Period of Annual Financial Review (AFR) to 30 June 2021



The IATA AFR and revised Local Financial Criteria (LFC) became effective on 01 July 2019 with a trial period of 12 months. During the trial period, IATA Accredited Freight Forwarders are required to submit the audited financial report to IATA but NOT required to provide Industry Bank Guarantee (IBG) to IATA regardless the review outcome.

The COVID-19 outbreak in 2020 has caused a difficult business environment for both freight forwarders and airlines with a severe economic and financial impact for both alike. Under these unprecedented circumstances it has become more burdensome for the industry to replace Bilateral Bank Guarantee (BBG) by IBG from 01 July 2020 onwards. As such, **HAFFA brought out the concerns to IATA and requested for an extension of the 12 months trial period of AFR to a total of 24 months in order to minimize the impact on the industry amidst the hardship.**



With the support of IATA and Airlines, **the proposal was adopted by the IATA Cargo Agency Conference (CAC) in July 2020. That said, from 01 July 2019 to 30 June 2021 (total of 24 months), IATA Accredited Freight Forwarders will continue to submit their audited financial reports to IATA but NO need to give IBG regardless the review outcome** (except those forwarders who already had an IBG with IATA will need to renew the amount of IBG based on the revised LFC). For AFR on/after 01 July 2021, IBG will be collected by IATA based on the AFR result.

Besides, IATA CAC also made clear that if IATA Accredited Freight Forwarder has no CASS sales in the previous 12 months or all the CASS sales have been opted out by airlines/freight forwarder, the freight forwarder is not subject to the submission of the minimum IBG to IATA as per the LFC (i.e. HK\$35,000).

More information about this topic is available at:

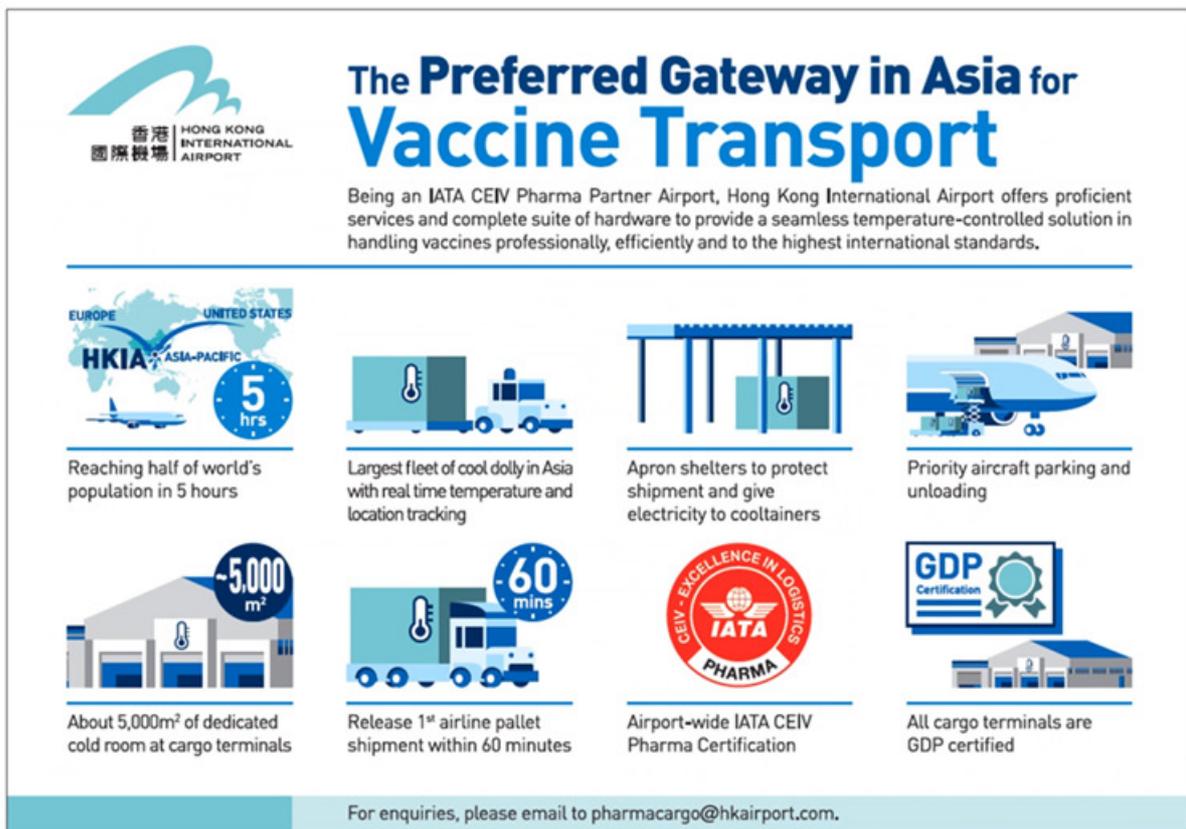
[After login] <https://www.haffa.com.hk/portal/Page/Default.aspx?id=1249>

III. Liaise with Airport Authority Hong Kong (AAHK)

A. HKIA Community Taskforce for COVID-19 Vaccines Handling

To establish a reliable handling process for temperature-controlled COVID-19 vaccines at HKIA (Hong Kong International Airport), AAHK formed a community taskforce to leverage the expertise of stakeholders throughout the supply chain. Representatives include those from AAHK, the airport cargo community (**HAFFA being the only freight forwarders' representative**), relevant government regulatory bodies and the pharmaceutical sector.

The taskforce **worked out the handling procedures for vaccines at HKIA and the expected time for releasing the first airline pallet to customers** for industry's reference. Different airport facilities and services to accommodate both active cooling and passive cooling (i.e. requiring coolant such as dry ice and gel pack) requirements were also identified.



The Preferred Gateway in Asia for Vaccine Transport

Being an IATA CEIV Pharma Partner Airport, Hong Kong International Airport offers proficient services and complete suite of hardware to provide a seamless temperature-controlled solution in handling vaccines professionally, efficiently and to the highest international standards.

- Reaching half of world's population in 5 hours
- Largest fleet of cool dolly in Asia with real time temperature and location tracking
- Apron shelters to protect shipment and give electricity to cooltainers
- Priority aircraft parking and unloading
- About 5,000m² of dedicated cold room at cargo terminals
- Release 1st airline pallet shipment within 60 minutes
- Airport-wide IATA CEIV Pharma Certification
- All cargo terminals are GDP certified

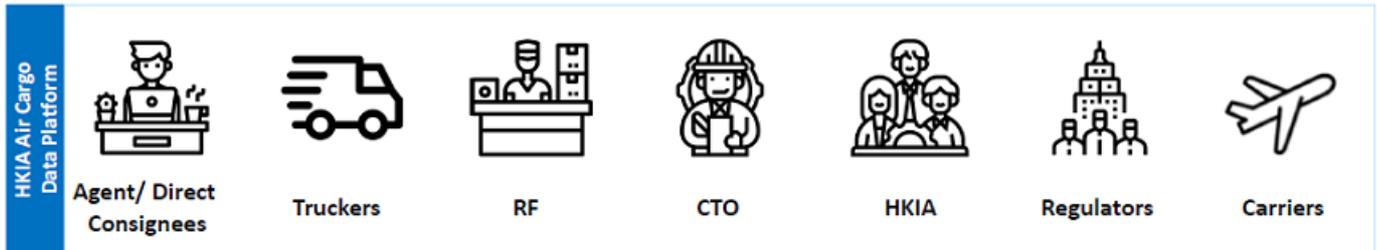
For enquiries, please email to pharmacargo@hkairport.com.

Source: AAHK

Besides, AAHK prepared an e-leaflet and video to give the industry better understanding of the dedicated facilities and services provided by HKIA. It was expected that this information would be useful for the industrial stakeholders when they plan the vaccines logistics or answering clients' enquiries. The e-leaflet and video hyperlink were circulated to all Member via News on 26 February 2021.

B. HKIA Air Cargo Data Platform

AAHK is developing a common cargo data platform which is targeted to connect all stakeholders of the cargo community such as Cargo Terminal Operators (CTOs), Ramp Handling Operators (RHOs), airlines, freight forwarders and truckers to make data available to the e-platform for application development and streamlining the cargo operation process. **HAFFA being the only freight forwarders' representative was invited to join the advisory group and pilot group.**



Source: AAHK

Functions will be rolled out by phases. Phase 1 is planned to be launched in Q2/Q3 this year, features include (but not limited to):

- Export – Pre-declaration, regulated air cargo, track & trace
- Import – SRF digitization



Source: AAHK

HAFFA provided comments on the e-platform. Following in-depth study and discussion, a list of concerns (e.g. cost, security, privacy, user-friendly and dual process etc.) have been conveyed to AAHK for their consideration. It was hoped that the e-platform would be a viable option to enable our Members and the cargo community to digitalize and transform the air cargo business for better efficiency and competitiveness.

IV. Liaise with Carrier Liaison Group (CLG) and Cargo Terminal Operators (CTOs)

A. CLG's Clarifications on US-bound Cargo Screening Requirement

The industry heard (in August/September 2020)

that US TSA (Transportation Security Administration) would tighten the screening requirement for all US-bound cargos on cargo aircrafts, under which all those cargos would be required to be screened at CTOs (Cargo Terminals at HKIA). **In response to the request of the HAFFA Chairman, the CLG issued an official letter on 24 September 2020, in which the following major points were stated for clarification purpose:**

- Under the current regime, all US-bound cargos on passenger aircrafts are required to be screened at the CTOs.
- US TSA would only be working directly with each carrier on their carrier specific program and carrier would in turn work with their RA in meeting those requirements. US TSA would NOT work directly with freight forwarders & RACSFs for upstream screening approval.
- Individual carrier(s) would, based on their carrier specific program, discuss with some of their appointed freight forwarders to evaluate the feasibility for their appointed RACSF to become US-bound cargo screening compliant. Details remain confidential between the carriers and their contracted freight forwarders.



Source: CLG

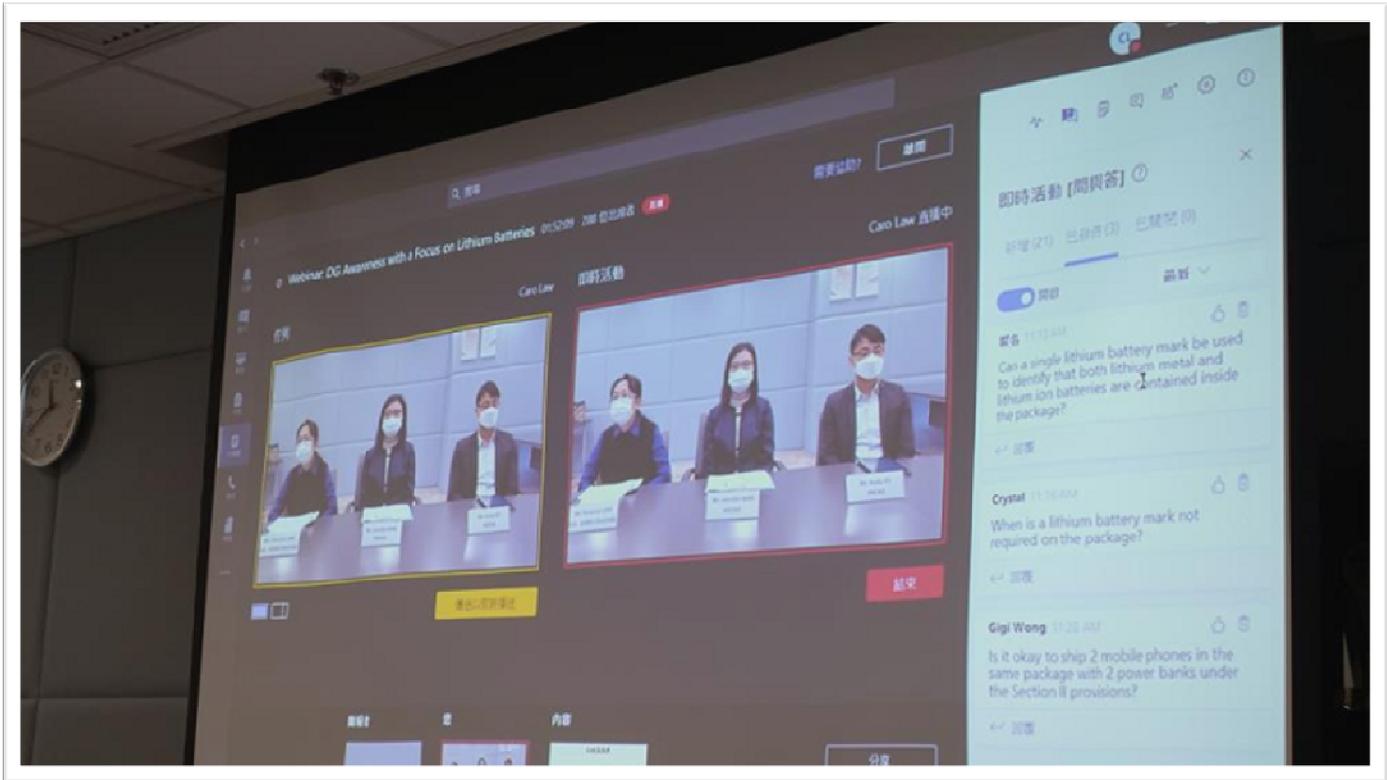
The CLG letter can be downloaded from:

[After login] <http://www.haffa.com.hk/portal/Pub/PageFile.aspx?uid=7fc168fb-6b81-496b-86d9-0ed693f87ce2>

B. Joint Webinar on “DG Awareness with a Focus on the Lithium Batteries”

HAFFA, in collaboration with the CLG-Dangerous Goods Working Group (DGWG), Civil Aviation Department (CAD), the Hong Kong Shippers' Council (HKSC) and the Transport and Logistics Training Board – Vocational Training Council (VTC-TLTB), organized a free webinar on 15 December 2020 on the changes in transporting “Lithium Batteries” (LB) by air with effect from 01 January 2021. At the webinar, representatives from the CAD and CLG provided the highlights of the significant changes to the ICAO Technical Instructions (TI) and IATA DGR respectively. The BP018 – “Best Practice for Consigning Lithium Cells / Batteries in Hong Kong” and some cases of improper handling of LB were also shared.





Thanks for industry's enthusiastic support, **the webinar was attended by over 300 participants and was concluded after a fruitful "Question and Answer" session.** Trust that the webinar has raised the awareness of the industry, thereby enhancing safety in air cargo transport and maintain a good reputation of the Hong Kong air cargo industry.

The presentation materials are available at HAFFA website:
<https://www.haffa.com.hk/portal/Page/Default.aspx?id=157>

C. Best Practice 018 - Best Practice for Consigning Lithium Cells / Batteries in Hong Kong

In response to the latest changes in lithium batteries under the 62nd Edition IATA DGR (2021) (with effect from 01 January 2021), the CLG-Dangerous Goods Working Group (DGWG) and HAFFA worked together to provide an updated version of the Best Practice (BP) with operational guidance for Members and the industry. The number of the BP is changed from "BP017" to "BP018" to avoid confusion in the market. That means, "Best Practice BP018" has replaced "BP017" with effect from 01 January 2021.



BP018: <https://www.haffa.com.hk/portal/Page/Default.aspx?id=157>

The best practice is jointly issued by the CLG-DGWG and HAFFA for industry reference only. Shippers and freight forwarders shall always follow the IATA Dangerous Goods Regulations, requirement of the HKCAD and the requirement of individual carriers for the air carriage of shipments containing lithium batteries at all times.

FIATA LIAISON SUB-COMMITTEE

Chairman: TRIMANSON EXPRESS LTD – Ms. Janet Ng
Vice Chairman: VINFLAIR LOGISTICS LTD – Mr. Ryan Leung
Members: CTI LOGISTICS (HK) CO., LTD
FORWARD BY NORMAN LTD
GOLDEN JET FREIGHT FORWARDERS LTD

FIATA General Meeting held virtually on 07 December 2020

(Highlight extracted from the FIATA Press Release)

The FIATA General Meeting was held virtually on 7 December due to the pandemic. The General Meeting, which would normally take place during the annual FIATA World Congress, was attended by almost 200 participants, including HAFFA representative.

The General Meeting approved reports from the Presidency on 2019 activities and financial matters, including the adoption of the budget for 2021. Two new Association Members were welcomed by the General Meeting, the Turkmen Logistics Association and Transportation and Logistics Federation of Iran – bringing the **total number of Association Members to 109**. A net increase of 115 Individual Members was also noted at year end.

The General Meeting also elected Stephen McDermott from the Canadian International Freight Forwarders Association (CIFFA) as the new chair of the FIATA Logistics Institute, and Niels Beuck from Bundesverband Spedition und Logistik (DSL) as the new chair of the Advisory Body on Safety and Security.

A keynote address was given by Adam Roark, Worldwide Transportation and Logistics Industry Lead at Amazon Web Services, where he discussed topics impacting the supply chain today such as streamlining data and enabling digitalization. Other topics, such as e-commerce, autonomous solutions, resiliency, disruption management, were raised throughout the address.



FIATA Review #135 December 2020



Next Congress

The next FIATA World Congress (FWC) will be held from 26-29 October 2021 at the Square Convention Centre in Brussels, Belgium. The FWC will be hosted by FIATA Association Member “Forward Belgium”, and the theme is “The Changing Climate of Logistics”. Topics such as innovation, education, digitalization, compliance, diversity, and the logistics sector responsibility to adapt to climate change will be high in the congress’ agenda. FWC 2021 website: <https://www.fiata2021.com/>

GREATER CHINA AFFAIRS SUB-COMMITTEE

Chairman: CTI LOGISTICS (HK) CO., LTD – Mr. Ryan Hsu
Vice Chairman: CARGO FREIGHT SERVICES LTD – Mr. Danny Wong
Members: CHINA FREIGHT (HONG KONG) LTD
COMBINED LOGISTICS (HONG KONG) LTD
FORWARD BY NORMAN LTD
KERRY FREIGHT (HONG KONG) LTD
TRIMANSON EXPRESS LTD
ACE PROTRANS FORWARDING LTD
TRANS ORIENT LOGISTICS (HK) LTD

HAFFA and CIFA Strengthen Ties with Signing of Memorandum of Understanding **HAFFA和中國國際貨運代理協會簽署諒解備忘錄加強雙方合作**

HAFFA and the China International Freight Forwarders Association (CIFA) have signaled the start of a closer and more robust collaboration with the signing of a Memorandum of Understanding (MOU).

The MOU, which came into effect from 01 August 2020, sees the two influential industry bodies cooperate more closely across a range of issues, increasing commercial opportunities for Members and creating an influential international logistics alliance.



The two organizations have collaborated successfully over the last 20 years since CIFA's inception on 06 September 2000. We regularly exchange views and advices on a wide range of matters, including the implementation of VAT on the Mainland in 2014. Our close relationship has been of enormous benefit to the Members of both organizations as well as to the industry as a whole.

Under the terms of the MOU, an exchange platform will see representatives of both associations liaise over matters such as market trends and policies affecting the industry. Business cooperation channels will facilitate the promotion of inter-member commercial prospects, as well as the organization of meetings, forums and seminars relating to opportunities relating major regional projects such as the Belt and Road Initiative.

The international logistics alliance formed under the MOU, which contains an automatic renewal clause of its initial five-year validity, sees both associations agree to establish a cross-boundary communications platform. Encompassing entities such as shippers, carriers, airports and ports as well as Members, in addition to improving the overall international logistics business environment for Members, the platform will aim to promote development in areas such as technology, regulations, quality of service, information, capital and talent.



The year 2020 marks the 20th anniversary of CIFA. In order to commemorate this special occasion, apart from signing of the MoU, HAFFA Chairman recorded a congratulatory video message to CIFA to celebrate the important milestone they achieved. Trust that HAFFA and CIFA will further strengthen the close relationship and realize the tremendous opportunities it will bring both today and over the coming years.



INFORMATION TECHNOLOGY SUB-COMMITTEE

Chairman: CTS INT'L LOGISTICS CORPORATION (HK) LTD – Mr. Samson Choi
Vice Chairman: FORWARD BY NORMAN LTD – Mr. Rex Lai
Members: KERRY FREIGHT (HONG KONG) LTD
TRIMANSON EXPRESS LTD
ACE PROTRANS FORWARDING LTD
DHL GLOBAL FORWARDING (HONG KONG) LTD

Trade Single Window 貿易單一窗口 (TSW)

Trade Single Window (TSW), to be implemented in 3 phases, is a one-stop electronic platform for registered users to lodge import and export trade documents with the HKSAR Government online. HAFFA was invited by the Commerce and Economic Development Bureau (CEDB) to join the TSW User Consultation Group since day one. Latest progress update as set out below.

PHASE 1 – 14 Trade Documents (Launched)

A total of 14 types of trade documents (mainly for specific controlled products) have already been successfully rolled out in 2020. List of documents: https://www2.tradesinglewindow.hk/portal/en/useful_information/annex_g.html

The industry can choose to make online submission of these 14 types of trade documents through the TSW on a voluntary basis.



貿易單一窗口
Trade Single Window

Registration is required and FREE OF CHARGE. Members are highly encouraged to register as a TSW user to lodge the trade documents with the Government and verify the validity of an electronic licence/permit online. For details, please visit: <https://www2.tradesinglewindow.hk> or contact the Office of Trade Single Window Operation of the Customs and Excise Department at Tel: 2117 3348 or by e-mail to enquiry@tradesinglewindow.hk.

PHASE 2 – Another 28 Trade Documents (To be launched from March 2023 by batches)

The scope of TSW would be expanded to cover another 28 types of trade documents (*i.e.* 42 types in total). Funding was approved by the Finance Committee of the Legislative Council in July 2020. It is CEDB's target is to roll out Phase 2 from March 2023 by batches the earliest. List of documents under Phase 2: https://www2.tradesinglewindow.hk/portal/en/useful_information/annex_h.html



Source: TSW website

PHASE 3 – Pre-shipment Submission of Manifest/Cargo Reports and ACI (Advance Cargo Information)

Phase 3 covers the submission of Import and Export Declarations, Advance Cargo Information and Cargo Reports for all cargoes **on a voluntary basis**. The consultation with HAFFA and industry stakeholders, and technical feasibility studies are underway. Among others, the future TSW environment for forwarders under sea mode and road mode will be streamlined as below:

Sea Mode

	Current Situation	Future – Single e-platform
Pre-shipment	<ul style="list-style-type: none"> ➤ e-SCC voluntary scheme to C&ED by email ➤ Provide house cargo information to C&ED by email/fax in relation to detained cargo ➤ Receive and acknowledge detention notice and release voucher via fax 	<ul style="list-style-type: none"> ➤ Direct submission to TSW ➤ Provide house cargo information to TSW in relation to detained cargo ➤ Receive and acknowledge detention notice and release voucher via TSW
Post-shipment	<ul style="list-style-type: none"> ➤ Provide house cargo information to C&SD in relation to declaration notice by email/fax 	<ul style="list-style-type: none"> ➤ Provide house cargo information to TSW in response to declaration notices ➤ Able to reuse cargo information for trade declaration submission

Road Mode

Current Situation	Future – Single e-platform
<ul style="list-style-type: none"> ➤ Submit ACI via ROCARS ➤ “Bundling” via ROCARS ➤ Manifest via paper submission (<i>drop-in box</i>) ➤ Submit TDEC via GETS (<i>post-shipment</i>) 	<ul style="list-style-type: none"> ➤ No change to submission requirement but all submissions via TSW ➤ Option of e-manifest submission via TSW ➤ Voluntary pre-shipment TDEC via TSW

We shall keep Members informed should the future TSW environment under air mode be mapped out.

Interested Members please view the video - TSW Initiative: <https://youtu.be/GLCTKzM34mY>



LEGAL MATTERS SUB-COMMITTEE

Chairman: AE CARGO SERVICES LTD – Mr. Ronnie Leung
Vice Chairman: AK LOGISTICS LTD – Mr. Talent Chen
Member: DHL GLOBAL FORWARDING (HONG KONG) LTD

Competition Commission Case EC/03AY - Hong Kong Seaport Alliance

The following four biggest container terminal operators in Hong Kong that managed 23 berths across eight terminals at Kwai Tsing ports and account for 95% of container terminal business announced on 08 January 2019 that they would form an Alliance to enhance cargo productivity.

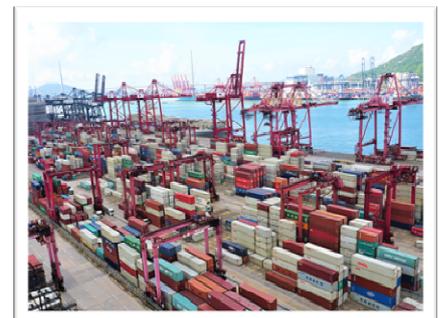
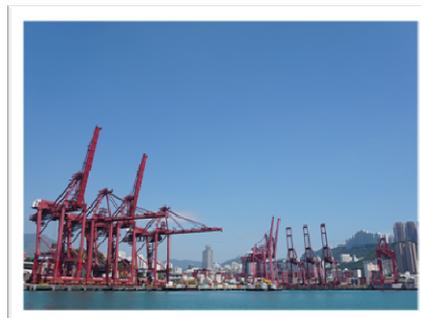
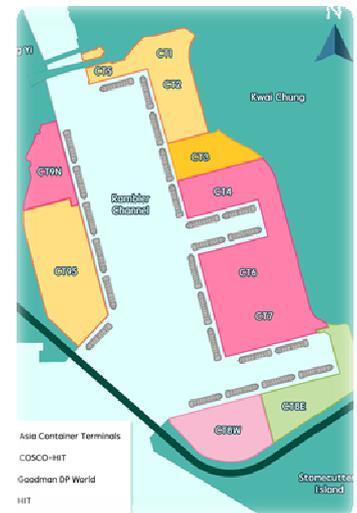
- Hongkong International Terminals Limited 香港國際貨櫃碼頭 (HIT)
- Modern Terminals Limited 現代貨箱碼頭 (MTL)
- COSCO-HIT Terminals (Hong Kong) Limited 中遠—國際
- Asia Container Terminals Limited 亞洲貨櫃碼頭

The Competition Commission (“Commission”) conducted an investigation into whether the Alliance may constitute a contravention of the First Conduct Rule in the Ordinance by harming competition in Hong Kong. During the investigation process, the Commission also consulted HAFFA to better understand the operational information of freight forwarders.

The Commission’s investigation found that the Alliance likely gives rise to anti-competitive effects in the market for port terminal services for Gateway cargo, as well as in related markets for the provision of overflow services to the operator of Container Terminal 3 at Kwai Tsing and for the provision of various services at Kwai Tsing to parties other than the shipping lines.

In response to the investigation, the Alliance has offered commitments under section 60 of the Ordinance whereby they will:

- Cap Gateway cargo handling charges;
- Maintain service levels for Gateway cargo;
- Cap “Other Counterparty Charges”;
- Maintain overflow arrangements with Goodman DP World Hong Kong Limited (“DP World”); and
- Avoid cross-directorships with Chiwan and Shekou.



On 12 August 2020, the Commission published the above proposed commitments and invited HAFFA for comment.

HAFFA considers it a good idea to establish the Alliance for the purpose of efficiency improvement. However, the key is how it would run to achieve the goal. In case of price increase due to the formation of Alliance, shippers would be forced to choose other ports and the competitiveness of Hong Kong would further be undermined. The following HAFFA's stance was submitted to the Commission on 21 August 2020.

HAFFA's stance

HAFFA is in principle in support of the formation of the Hong Kong Seaport Alliance in terms of:

- I. Achieving a more efficient service that will enhance the overall competitiveness of Hong Kong within the region as international shipping centre;*
- II. Further increasing utilization through optimized use of terminals, thus enabling Hong Kong continue to be a reliable regional transshipment hub;*
- III. Improving overall service offering to freight forwarders being customers.*

However, we are of serious concern if there would be price increase but absence of affordable alternatives in the Hong Kong market under the alliance in future.

On 30 October 2020, the Commission announced its acceptance of commitments from the Alliance as they are appropriate to address the competition concerns in an effective and timely manner.

The commitments have come into effect, and last for up to eight years commencing on 30 October 2020, with the exception of the commitments on service levels and MTL's cross-directorships, which would last for the duration of the Alliance. Compliance with the commitments will be monitored throughout by an independent Monitoring Trustee on behalf of the Commission.



LOGISTICS POLICY SUB-COMMITTEE

Chairman: CN LOGISTICS LTD – Mr. Ringo Cheung
Vice Chairman: DIVERSIFIED FREIGHT SYSTEM LTD – Ms. Joanne Lui
Members: DHL GLOBAL FORWARDING (HONG KONG) LTD
SEA-AIR LOGISTICS (HONG KONG) LTD

Joint Press Conference

Hon. Frankie Yick (Legislative Councillor under Transport Functional Constituency) organized a Joint Press Conference with HAFFA and 11 other logistics bodies on 13 August 2020, requested the Government to launch the Anti-epidemic Fund 3.0 as soon as possible to help ease the financial burden especially of SMEs under the unprecedented situation. Many media attended the press conference. The Chairman Mr. Brian Wu was one of the spokesmen representing HAFFA to voice out Members' concerns and answered media questions. Video clip and the joint press release: <https://www.haffa.com.hk/portal/Page/Default.aspx?id=1695>



Given time constraint and in order to attract media focus, only 5 core relief measures were brought out at the press conference. Nevertheless, Hon. Yick has subsequently submitted a letter to the Financial Secretary in late August 2020, in which all 9 recommendations proposed by Members are included for the Government's consideration. The 5 core relief measures are:

- 1. Landlords to provide 2 months' rental and management fee waiver, Government to provide 2 months' rental and management fee subsidy;**
- 2. Extend the concession/waiver of all government fees and charges for 6 months;**
- 3. Extend the arrangement of principal payment holidays for 6 months;**
- 4. Extend the "Employment Support Scheme" for 6 months, and include employees aged 65 or above without an MPF account into the Scheme;**
- 5. Launch the "Anti-epidemic Fund 3.0" as soon as possible, continue the previous subsidies and ensure that the sectors which have been missed by the Fund in the previous two phases are given priority.**



Submissions to Chief Executive and Financial Secretary

Riding on the Policy Address and Budget Consultation exercise, HAFFA made submissions to the Chief Executive and Financial Secretary respectively, requesting for relief measures to support the industry. Apart from the 9 recommendations we collected from Members through the online survey conducted in early August 2020, we also called upon the Government to consider provision of subsidy on air cargo terminal charge and charter flight, as well as waiving Hong Kong-Zhuhai-Macao Bridge toll fee.

For details, please click into the following link to view the HAFFA's position papers:
[After login] <https://www.haffa.com.hk/portal/MemberOnly/PositionPapers.aspx>

MEMBERSHIP SUB-COMMITTEE

Chairman: DIVERSIFIED FREIGHT SYSTEM LTD – Mr. Eddie Law
Vice Chairman: NAF NORTHERN OCEAN FREIGHT LTD – Mr. Bruce Yau
Members: CHINA FREIGHT (HONG KONG) LTD
CTI LOGISTICS (HK) CO., LTD
FORWARD BY NORMAN LTD
INFINITY CARGO EXPRESS LTD
KERRY FREIGHT (HONG KONG) LTD
TRIMANSON EXPRESS LTD
WEN-PARKER LOGISTICS (H.K.) COMPANY LTD

A. Membership

HAFFA admitted **3 New Ordinary Members** during the year of 2020-2021 (*July 2020 - Mar 2021*), their names are listed below (Congratulations to them again!!):

- 1. A.S. International Logistics Limited**
- 2. FIBS Logistics Limited**
- 3. Airsupply International Logistics Group Limited**

During the year of 2020-2021 (*July 2020 - Mar 2021*) the following members ceased to be a member of HAFFA:

1. AOE Freight (HK) Limited
2. Cargo Union Freight Services Limited
3. C L Freight Limited
4. Emperor Sky Limited
5. Globe Express Services (Overseas Group) Limited
6. Long Wing Express (HK) Ltd
7. Merzario (HK) Ltd
8. Nan Hwa (Express) Travel Service Ltd
9. Super Leaders Logistics Company Limited
10. Yongfu International Logistics Services Limited

The total HAFFA membership now stands at 320.

B. FIATA Licencee

In addition, we authorized the following member to issue the FIATA Documents [*including FIATA Multimodal Transport Bill of Lading (FBL) “as Carrier”, FIATA Multimodal Transport Waybill (FWB) & Forwarders Certificate of Receipt (FCR)*] in Hong Kong:

- 1. Seiyo Global Logistics (Asia) Ltd (017)**

During the year of 2020-2021 the following members ceased to be FIATA Licencee:

1. ATC Air Service Limited (092)
2. JAS Forwarding (HK) Ltd (076)
3. Ligentia Asia Limited (016)
4. Mitsubishi Logistics Hong Kong Ltd (090)

The total number of members authorized to issue FIATA Documents now stands at 56.

PUBLIC RELATIONS SUB-COMMITTEE

Chairman: BEL INTERNATIONAL LOGISTICS LTD – Mr. Brian Wu
Vice Chairman: CTS INT’L LOGISTICS CORPORATION (HK) LTD – Mr. Samson Choi
Members: CTI LOGISTICS (HK) CO., LTD
 GOLDEN JET FREIGHT FORWARDERS LTD

I) Key Events with Various Government Departments and Trade Bodies

Date	HAFFA	Event	Organizer(s) / Visitor(s)
04–06/2020		<i>Please refer to the last Annual Report under Public Relations Sub-committee issued on 17 July 2020</i>	
25/07/2020	Mr. Brian Wu (Chairman) as Judge representing HAFFA	CILT Award 2020 – Service Excellence (Final Interview) 運輸物流卓越大獎2020	The Chartered Institute of Logistics & Transport in Hong Kong (CILTHK) 香港運輸物流學會
04/08/2020	HAFFA as Organizer; Mr. James Kong (Executive Committee Member and SME Development Sub-committee Chairman) as Presenter of appreciation certificate	Workshop on Trade Credit Insurance for Freight Logistics Sector 貿易信用保險研討會	HAFFA and Taishan Insurance Brokers Limited (TIB) 泰山保險顧問有限公司 (<i>please refer to the Annual Report under SME Development Sub-committee</i>)
13/08/2020	Mr. Brian Wu (Chairman) as Spokesman representing HAFFA and answer questions from the media	Joint Press Conference: Freight and Logistics Sector Requests the Government to Launch the Anti-epidemic Fund 3.0 as soon as possible 聯合記者會：貨運物流業要求政府盡快推出「防疫抗疫基金3.0」	Hon. Frankie Yick, Legislative Councilor under Transport Functional Constituency, HAFFA and 11 logistics bodies 航運交通界立法會議員易志明、HAFFA及11家貨運物流組織 (<i>please refer to the Annual Report under Logistics Policy Sub-committee</i>)
24/08/2020	Mr. Brian Wu (Chairman)	Policy Address Theme-based Consultation Session (Air Transport, Maritime and Logistics) 2020年《施政報告》主題諮詢會（航空、航運和物流）	Chief Executive 特首



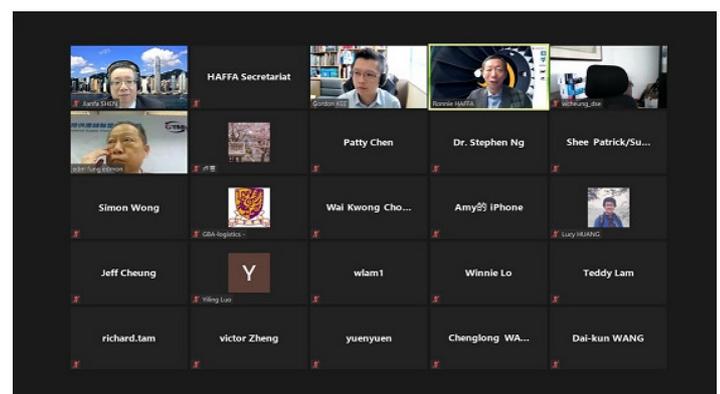
Date	HAFFA	Event	Organizer(s) / Visitor(s)
25/08/2020	Mr. Brian Wu (Chairman) as Judge representing HAFFA	Hong Kong ICT Awards - Smart Mobility Award (Category Judging) 香港資訊及通訊科技獎 - 智慧出行獎	GS1 Hong Kong 香港貨品編碼協會
24/09/2020	HAFFA as Collaborative Organization; Mr. Samson Choi (Vice Chairman) as Guest of Opening Ceremony representing HAFFA	International Conference on Logistics 4.0 - Transformation of Hong Kong SMEs for Logistics, Manufacturing and Trading 香港物流，製造與貿易中小企升級轉型國際會議	The Hong Kong Shippers' Council (HKSC) 香港付貨人委員會
30/09/2020	Mr. Ronnie Leung (Executive Committee Member) as Guest Speaker representing HAFFA	Career Talk by HAFFA 就業講座	HAFFA and Hong Kong Polytechnic University (Poly U) 香港理工大學
08/10/2020	Mr. Ryan Hsu (Vice Chairman) as Judge representing HAFFA	HKMA SME Club 52nd Distinguished Salesperson Award (DSA) Programme (Awards Presentation Ceremony) 第五十二屆傑出推銷員獎	The Hong Kong Management Association (HKMA) 香港管理專業協會
02/11/2020	Mr. Brian Wu (Chairman) as Guest Speaker and Panelist representing HAFFA	Webinar "Pilot Subsidy Scheme for Third-party Logistics Service Providers" 網上簡介會「第三方物流服務供應商資助先導計劃」	Hong Kong Productivity Council (HKPC) 香港生產力促進局
06/11/2020	Mr. Brian Wu (Chairman), Mr. Samson Choi (Vice Chairman) and Mr. Ringo Cheung (Hon. Secretary)	HKPC Voice of Industry Series - Consultation Meeting and Visit 香港生產力促進局諮詢會及參觀新研發技術	Hong Kong Productivity Council (HKPC) 香港生產力促進局



Date	HAFFA	Event	Organizer(s) / Visitor(s)
15/11/2020	HAFFA as Organizer; Mr. Stephen Law (Executive Committee Member and Recreation & Sports Sub-committee Member) as Hiking Leader	Hiking to Lung Ha Wan 秋遊龍蝦灣	HAFFA <i>(please refer to the Annual Report under Recreation & Sports Sub-committee)</i>
17-18/11/2020	HAFFA as Supporting Organization; ExeCom as Conference Delegates representing HAFFA	The 10th Asian Logistics, Maritime and Aviation Conference (ALMAC) 亞洲物流航運及空運會議	Hong Kong Trade Development Council (HKTDC) 香港貿易發展局
19/11/2020	Mr. Brian Wu (Chairman) as Expert Speaker representing HAFFA	ALMAC Online – Meet the Experts	Hong Kong Trade Development Council (HKTDC) 香港貿易發展局
25/11/2020	Mr. Brian Wu (Chairman) as Guest Speaker representing HAFFA	Webinar “Foresight 2021: ASEAN Opportunities – Seeding and Exceeding Success Forum” 網上論壇 “智瞻2021 – 東盟 · 機遇系列 – 東盟攻略：領航與傳承”	Hong Kong Productivity Council (HKPC) 香港生產力促進局
30/11-01/12/2020	HAFFA as Supporting Organization; Mr. Brian Wu (Chairman) as Delegate representing HAFFA	Belt and Road Summit 一帶一路高峰論壇	Hong Kong Trade Development Council (HKTDC) 香港貿易發展局
07/12/2020	Ms. Alice Lui (Secretariat) as HAFFA Delegate representing Hong Kong	FIATA General Meeting	International Federation of Freight Forwarders Association (FIATA) 國際貨運代理協會聯合會 <i>(please refer to the Annual Report under FIATA Liaison Sub-committee)</i>



Date	HAFFA	Event	Organizer(s) / Visitor(s)
08/12/2020	Mr. Brian Wu (Chairman)	Asian Insurance Forum 2020 (AIF) 亞洲保險論壇 2020	Insurance Authority 保險業監管局
08/12/2020	HAFFA as Taskforce Member	HKIA Community Taskforce for COVID-19 vaccines handling 新冠病毒疫苗機場專責小組	Airport Authority Hong Kong (AAHK) 香港機場管理局 (please refer to the Annual Report under Airfreight Sub-committee)
15/12/2020	HAFFA as Organizer	Webinar “DG Awareness with a Focus on Lithium Batteries” “危險品認知及空運鋰電池”網上研討會	HAFFA, Carrier Liaison Group (CLG) 航空公司貨運聯絡小組, The Hong Kong Shippers’ Council (HKSC) 香港付貨人委員會 and the Transport and Logistics Training Board – Vocational Training Council (VTC) 職業訓練局物流貨運業訓練委員會 (please refer to the Annual Report under Airfreight Sub-committee)
16/12/2020	Mr. Ronnie Leung (Executive Committee Member) as Guest Speaker representing HAFFA	Webinar: “Development of Hong Kong Logistics Industry under the Strategic Initiative of the Greater Bay Area (GBA)” 網上研討會 “粵港澳大灣區框架下香港物流業的發展”	Hong Kong Institute of Asia-Pacific Studies, CUHK 香港中文大學香港亞太研究所



Date	HAFFA	Event	Organizer(s) / Visitor(s)
18/12/2020	Mr. Brian Wu (Chairman) and Ms. Alice Lui (Secretariat) as Guest Speakers representing HAFFA	2020 Cross-Strait Logistics Industry Transformation and Upgrade Summit Forum 2020 海峽兩岸暨港澳物流業轉型升級高峰論壇	He'nan Provincial Commercial Department 河南省商務廳
23/12/2020	Ms. Alice Lui (Secretariat)	The 2021-2022 Budget (Transport & Logistics) Consultation Session 二零二一至二二年度《財政預算案》諮詢會	Financial Secretary 財政司司長
22/01/2021	Mr. Brian Wu (Chairman) as Judge representing HAFFA	The 7th Payload Asia Awards Ceremony	Air Cargo Publication "Payload Asia"



II) Media and Others

Throughout the year 2020-2021, HAFFA was interviewed by the media on various issues. With the help of the Chairman and Executive Committee Members, the PR Sub-committee endeavor to entertain many press enquiries. In making comments, we adopt a factual, objective approach with the interest of HAFFA members being our first priority.

RECREATION AND SPORTS SUB-COMMITTEE

Chairman: NAF NORTHERN OCEAN FREIGHT LTD – Mr. Bruce Yau
Vice Chairman: WEN-PARKER LOGISTICS (H.K.) COMPANY LTD – Mr. James Kong
Member: CHINA FREIGHT (HONG KONG) LTD

HAFFA Hiking to Lung Ha Wan 秋遊龍蝦灣, 15 November 2020

Hiking is among one of the most popular physical activities for the general public and it is proven to have many health benefits, ranging from physical exercise to emotional relief that comes from being in nature.

Following the success of 2019's event, HAFFA organized its second hiking activity at the Lung Ha Wan Country Trail on 15 November 2020. The gorgeous costal hike is moderately challenging but doable and rewarding with spectacular views. This family-friendly event offered a wonderful platform for Members to strengthen friendship and all participants enjoyed a fun and healthy way of get-together throughout the hiking trip!



8/F, CHINA HONG KONG CENTRE, 122-126 CANTON ROAD, TSIM SHA TSUI, KOWLOON, HONG KONG.

TEL: (852) 2796 3121

FAX: (852) 2796 3719

EMAIL: enquiry@haffa.com.hk

WEBSITE: <http://www.haffa.com.hk>



Members are welcome to view the digital photo album below to share the memories of those wonderful and happy moments: <https://www.haffa.com.hk/portal/Page/Default.aspx?id=1742>

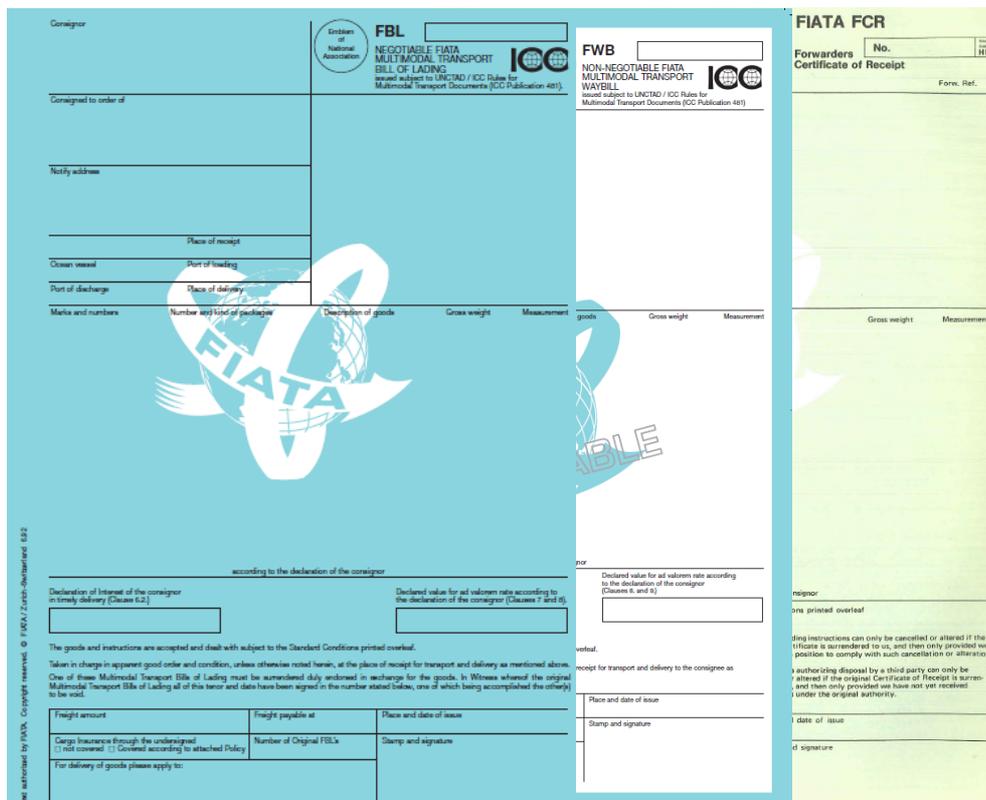
SEAFREIGHT SUB-COMMITTEE

Chairman: INFINITY CARGO EXPRESS LTD – Mr. Kenny Lee / Mr. John Lui
Vice Chairman: ACE PROTRANS FORWARDING LTD – Mr. Sydney Chan
Members: CLEARFREIGHT HONG KONG LTD
 SEA-AIR LOGISTICS (HONG KONG) LTD

Digitalization of FIATA Bill of Lading (FBL)

(Highlight extracted from the FIATA Review No. 135, December 2020 and subsequent FIATA updates)

FIATA Documents have an excellent reputation and are recognized as documents of tradition and trust. Since the late 1980s, **HAFFA has been appointed by FIATA to be the sole agency in Hong Kong SAR region to authorize the issue of its documents. Under which only Members approved by HAFFA are legally authorized to issue FIATA Documents (including FBL, FWB, FCR) in Hong Kong through a licensing system.**



In conformity with the UNCTAD / ICC Rules for Multimodal Transport Documents, one of the FIATA documents - **FIATA Bill of Lading (FBL)** is a highly valued trade document, recognized by banks all over the world. However, the current multiplication of trade document versions is slowly diminishing the importance of this standard.

Many see the digitalization of the FBL per se as the ultimate goal to be achieved, but in reality, this is not where the real challenge lies. Creating a digital version of the FBL can be easily achieved, but what is crucial to address is the strengthening of control over its distribution and the enforcement of compliance checks. This can be facilitated through the digitalization process, and FIATA's solution to digitize its FBL will focus on the restoration and development of the document's integrity and traceability.

The proof of concept has kicked off on 23 February 2021. Most participants have been identified and confirmed: four software providers (TMS and digital trade documents solutions), one identity management platform (Forgerock), and one document tracking solution (Trakk). It will focus on testing the creation of eFBLs through participating TMSs, as well as testing FIATA document tracking solution.

This will have a stamped QR code and unique number, which will certify the validity of the document, the integrity of its content, as well as the identity of the document issuer. The full lifecycle of the document will be analysed. It will also test the transfer of the eFBL to different stakeholders, through participating digital trade document solutions.

To learn more about the proof of concept, please watch the video at:

<https://fiata.com/what-we-do/digitalization/projects.html>



SME DEVELOPMENT SUB-COMMITTEE

Chairman: WEN-PARKER LOGISTICS (H.K.) COMPANY LTD – Mr. James Kong
Vice Chairman: CHINA FREIGHT (HONG KONG) LTD – Mr. Stephen Law / Mr. Felix Tsang
Member: TRANS ORIENT LOGISTICS (HK) LTD

Workshop on Trade Credit Insurance for Freight Logistics Sector, 04 August 2020



Due to the economic downturn, the situation of customers' failure to make payments when due happened more frequently. For the sake of protecting Members' interest, HAFFA explored various solutions for credit risk management and negotiated with different insurance companies for a better premium rate for Members. It was gratifying that Taishan Insurance Brokers Limited (TIB) together with Euler Hermes agreed to provide a special offer on the trade credit insurance exclusively for Members.

In order to help Members better understand the offer, HAFFA invited TIB and Euler Hermes to organize a workshop on 04 August 2020, through which participants were able to understand the importance of

risk management in coping with the current economic recession. The speakers also provided insightful analyses on many business cases sharing and explained in details their exclusive services and scheme for Members. At the end, the workshop was concluded after a long and good interactive Q&A session with so many practical questions raised by the participants. The presentation material, leaflet of special offers and snapshots of workshop are available at: <https://www.haffa.com.hk/portal/Page/Default.aspx?id=1552>.

Members are encouraged to try the FREE Credit Pre-check of your clients offered by TIB, as a way of "Body-check" of your account receivables. Interested Member may contact the following representative of TIB for more details:

Mr. Chu Kwong Wah Dennis,
Senior Manager
(Technical Representative (Broker) Licence No. IA3079)

Direct Tel: +852 2201 6167

Tel: +852 2877 0893

Fax: +852 2802 3158

Email: Dennis.Chu@klntib.com

Website: www.klntib.com



The feedbacks received from the participants were very positive and encouraging. HAFFA will organize another round of workshop later when necessary.

Date: 20 April 2021

(END OF REPORT)