



The role of the ship agent

ASBA: ensuring quality and integrity

The Association of Ship Brokers and Agents (ASBA) was established in January of 1934 to advance and foster ideals and standards of personal and professional conduct and practices, to inculcate just and equitable principles among those engaged in the trade, to define customs of the business, to establish and maintain uniformity in commercial usages, to adjust

controversies and misunderstandings, and to promote the common interests of those business establishments which are engaged in business as ship brokers and agents. One of the first tasks of the Association was to set forth the Code of Ethics (see box below).

After a number of high-profile agent company bankruptcies,

ASBA Code of Ethics

The officers, partners and associates of each member firm of this Association are firmly pledged to the following principles in the conduct of their brokerage and agency business.

1. In the conduct of his profession, a member shall exercise great care to avoid misrepresentation and shall be guided by the principles of honesty and fair-dealing.
2. A member shall be diligent at acquainting himself with market conditions and shall keep his principal accurately informed thereof.
3. A member shall always assist — never hinder — principals in reaching and performing an agreement, always rendering his best efforts and using his best judgement on their behalf.
4. A member shall handle all proposals accurately and expeditiously.
5. When acting as a broker, he shall not make decisions for the principals unless so authorized by them; and when negotiating on a standard or well-known form of charter party, a member shall advise the principals of any deviation from the usual form.
6. The member's responsibility as ship's agent is to protect the ship's interests at all times. The ship agent will make every effort to manage the ship's call efficiently.
7. Each member agrees to inculcate his organization with the principles set forth herein, for it is recognized that only by their observance will the standards of personal and professional conduct be advanced, and the practice of ship brokerage and agency continue to inspire confidence as an essential and effective part of the shipping industry.

As adopted December 16, 1949

As amended June 23, 1981 and February 3, 2011

ARTICLE XIII: Criteria for Certification of ASBA Ship Agent Members

Section 1. All Ship Agent Members ("Ship Agents") must abide by the ASBA Code of Ethics.

Section 2. All Ship Agents must comply with the following standards of Financial Responsibility.

A) Retain an external CPA for issuance of an "Agreed Upon Procedure Report" submitted to ASBA annually.

The following procedures, based on random sampling, must be attested to:

- ❖ Amounts due from/to principals in company's general ledger are supported by detailed accounting and reporting for principals which agrees in total to the general ledger.
- ❖ Detailed accounting/reporting for principals includes a listing of cash receipts and disbursements (by invoice) for sample voyages with total amounts due to/from the principal for each selected voyage and in total at end of reporting period.
- ❖ Maintain separate files for principals to include supporting documentation.
- ❖ All transactions for principals must be supported by invoices and/or receipts.

B) Certification by Ship Agent's management that undisputed accounts are settled in accordance to agent's agreement with principals and vendors.

C) Ship Agents must demonstrate adequate insurance coverage, submit proof annually and name ASBA as a notify party.

- a) Automobile Coverage (owned and non-owned vehicles)
- b) Workmen's Compensation for USL&H as required.
- c) Liability Coverage – minimum of 1 million dollars per event.

D) Company in good standing as certified annually by the Secretary of the State in which the Ship Agent is incorporated.

Section 3. Industry Experience

A) At least one year in the business.

Section 4. Each Ship Agent must ensure that its Employees are Trained and Professional

A) Ship Agents must provide on the job training or participate in member or ASBA provided training seminars.

B) Ship Agents must successfully complete the ASBA Ship Agent Exam.

Section 5. Ship Agents agree that the ASBA Ethics & Grievance Committee will be the governing body should issues regarding noncompliance with this article arise.

A) Ship Agents agree to abide by the ruling of the committee.

B) Ship Agents face possible suspension of and/or expulsion from membership for failure to comply with the requirements of this Article.



and the general opinion of ASBA's members, it was decided that the industry was in need of a mechanism whereby principals could identify quality ship agency providers. In February of 2005, the full membership of the Association approved the Guidelines for Certification — please see box above.

ASBA is an active member association of the Federation of National Associations of Ship Brokers & Agents. It presented its certification to the FONASBA members and, happily, the members approved the FONASBA Quality Standard in 2007 with 22 member Associations having received approval to issue the Quality Standard to their member companies.

ASBA's members have used the following text to inform their principals of ASBA's certification.

"The Association of Ship Brokers and Agents (USA) Inc. (ASBA) agent members have raised the bar for agency companies by implementing an annual certification process that is intended to assure principals of member agent's quality and credibility in three areas:

- ❖ Sound handling of principal's cash
- ❖ Adequacy of insurance coverage

❖ Competence of staff

ALL ASBA member agents are required to submit an annual procedure report from an external CPA, insurance coverage of \$1M per event of liability, automobile and workmen's compensation as required. All agents employed by member companies must pass the ASBA Agent Exam testing their knowledge of the industry and agency business.

ASBA promoted the endorsement of a similar international standard through its international counterpart the Federation of National Associations of Ship Brokers & Agents (FONASBA), which has as one of its core values the promotion of the highest levels of professionalism in the agency and broking professions worldwide. FONASBA approved their Quality Standard that embraces the core objectives of ASBA's Certification. ASBA Agent Members were one of the first to be awarded same. INTERTANKO and BIMCO have endorsed the FONASBA Quality Standard (FQS), which attests to their recognition of the value of this initiative for their members. Twenty-two FONASBA Member National Associations have been approved to award the FQS to qualifying members."



ASBA Ship Agents

Tested Trusted Certified

Appoint ASBA Certified Ship Agents at all U.S. and most Canadian ports.

ACGI Shipping, Inc.

A. R. Savage & Son, LLC

American Shipping and Chartering

Luis A. Ayala Colon Sucrs., Inc.

Biehl & Co., LP

Blue Water Shipping Company

Cascade Marine Agencies, Ltd.

John S. Connor, Inc.

Fillette Green Shipping Services (USA) Corp.

GAC Shipping (USA) Inc.

General Steamship Agencies, Inc.

T. Parker Host, Inc.

Inchcape Shipping Services

Lott Ship Agency, Inc.

Max Shipping, Inc.

Mid-Gulf Shipping Company, Inc.

Moran Shipping Agencies, Inc.

Moran-Gulf Shipping Agencies, Inc.

Newship, Inc.

Nord-Sud Shipping, Inc.

North American Shipping Agencies

Norton Lilly International

Peabody & Lane Corp.

Riley-Sherman Shipping Agency, Inc.

Southport Agencies, Inc.

Sunshine Shipping, Inc.

Tormar Inc.

Transmarine Navigation Corporation

USG Services, LLC

Valls Ship Agencies, LP

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ASBA member ship agents: tested – trusted – certified

In a recent survey conducted by the Association of Ship Brokers & Agents (USA) Inc. (ASBA), maritime principals ranked the qualities deemed most important in their decision to appoint a ship's agent.

- ❖ fiscally responsible company
- ❖ trained boarding agents
- ❖ past experience with the ship agent and the agent's experience with the cargo and vessel type

ASBA's Agent Member Certification, renewed annually, specifically addresses these qualities. But, in order to describe what it means to be ASBA

certified — what, exactly, is an agent, and what does an agent do?

“Except for the pilot, the first and last person to board or depart during every ship's port call is the ship's agent.” The agent is like a control tower for a ship's port call, co-ordinating local scheduling and logistics with the key players — the owner, charterer, shipper, receiver, terminal, and, of course, the ship.

The agent dispatches the local services necessary for a successful port call by arranging pilotage, towage, and customs entry and clearance, while navigating deftly through the myriad national and local regulatory requirements involving the ship, her cargo and crew. Beyond the commercial operation there is an often an extensive list of husbanding requirements that includes co-ordination of ship's stores and spare parts as well as crew changes, crew medical, and service technicians.

An agent's job is to safely and economically expedite the vessel's port call. Understanding the impact of high daily operating costs of ships and marine terminals, the pressures of berth congestion, and contract deadlines for loading and unloading cargoes contributes positively to the success of a voyage. Solid rapport and good standing within the local marine community is critical. The agent stands in the shoes of his, or her, principal, protecting their interest at a specified port.

FISCAL RESPONSIBILITY

ASBA member agents must retain an external Certified Public Accountant to complete a procedural review in order to attest in writing to ASBA that the member maintains separate files by principal and that all financial transactions are properly supported by invoices and receipts that tie back to their general ledger. Fiscally sound accounting practices should be a key component of the principal's risk management strategy.

TRAINED

Certified Agent Members must maintain a well-trained staff



that is service oriented and armed with knowledge to make necessary decisions on behalf of their principals. All member boarding agents and their managers must successfully complete a comprehensive exam administered by ASBA.

ASBA provides a variety of maritime courses and seminars on shipbroking, chartering, and agency to meet the needs of members for initial training and ongoing education. Other courses offered by ASBA include maritime law, marine insurance, and commercial trade transactions. ASBA's Annual Cargo Conference has become the must attend maritime event in the USA and provides member agents with another avenue to expand their industry knowledge. Panellists include charterers, owners, and operators that share their thoughts on the hot topics of the year as well as their views on the market and trends in shipping.

EXPERIENCED

ASBA's 30 member agents handled approximately 43,000 non-container vessel calls in the USA and Canada in 2013. Of this total, approximately 14,000 were dry bulk and breakbulk vessels. Based on the association's calculations, ASBA Certified Agents have represented close to 65% of the dry and wet bulk vessels calling US ports last year. In terms of experience, these statistics tell a clear story.

ASBA was formed in 1934. Members use the Association to address issues affecting their companies and principals on a national level — and to advocate for quality. ASBA's landmark member certification was embraced by its international counterpart, the Federation of National Associations of Ship Brokers & Agents (FONASBA) in 2007, is called the FONASBA Quality Standard and is now being awarded in 22 member countries. Owner's organizations, BIMCO, INTERTANKO, and INTERCARGO, recognized the value of promoting 'quality' in the appointment of ship agents when they endorsed the Quality Standard.

As a best practice that supports operational excellence and risk mitigation, ASBA encourages all vessel charterers, owners, and operators to nominate and appoint ASBA-certified agents at USA and Canada ports whenever possible.