

**FOREIGN TRADE CHAMBER OF BOSNIA AND HERZEGOVINA
TRANSPORT AND COMMUNICATIONS SECTOR
INTERNATIONAL FORWARDERS ASSOCIATION**

**INTERNATIONAL FORWARDERS IN
BOSNIA AND HERZEGOVINA - GENERAL CONDITIONS OF BUSINESS**

Sarajevo, December 2002

I – VALIDITY OF THE TERMS

Paragraph 1.

These general conditions apply to all forwarding operations.

It will be considered that the contracting parties have agreed on the application of the general conditions, if the forwarder has indicated in writing to his principal that he operates according to these conditions, and the principal has not expressly and in writing excluded their application.

Paragraph 2.

The forwarder is the organizer of the shipment and delivery of goods by all means of transport and on all transport routes.

The forwarding contract obliges the forwarder to conclude, in his own name and for the account of the principal, the Transport Contract and other contracts necessary for the performance of the transport, and to perform other usual tasks and actions, for the purpose of transporting certain goods, and the principal undertakes to pay him certain fees.

Forwarding services include in particular:

- providing expert advice and participating in negotiations for the conclusion of an International Sales Agreement from the point of view of transport, insurance, customs manipulations, etc.;
- finding the most favorable transport routes and clauses to be applied in international sales and international transport of goods in order to protect the interests of the principal;
- securing privileges, rebates and other benefits of foreign and domestic carriers and other participants;
- organizing groupage transport;
- organizing multimodal transport of goods and distribution according to the "door-to-door" system;
- concluding transport contracts in all branches of transport;
- concluding contracts for loading, unloading, reloading, sorting, packaging, or performing these and similar services;
- concluding contracts for the storage of goods;
- storing of coats;
- concluding contracts for the insurance of goods;
- representing and performing tasks related to customs clearance of goods (customs agency);
- taking samples, determining the quantity of goods without issuing certificates;
- participation in the collection of delivered goods;
- issuing forwarder's receipts, as an instrument of payment in foreign trade of goods, and issuing other FIATA documents;
- placing or obtaining transport and other documents;

- controlling the accounting correctness of transport documents, and calculating transport and other costs;
- taking measures for compensation in cases of loss, damage or delay in the delivery of goods;
- obtaining permits for the transport of goods and other documents;
- organizing the freezing, feeding and watering of live animals;
- providing services at international fairs, independent and special exhibitions and similar events in the country and abroad,
- organizing internal forwarding;
- performing other tasks common in international forwarding.

II – O F F E R

Paragraph 3.

The forwarder's offer includes only the services explicitly stated therein.

Paragraph 4.

The offer is valid only until the deadline set for its acceptance.

Paragraph 5.

An offer in the form of a single total amount (a complete lump sum for all phases of forwarding or transport), which, among other things, includes freight, customs brokerage costs, warehousing and other similar expenses, is valid according to the circumstances existing at the moment the offer is made.

The principal will separately reimburse the forwarder for costs not covered by the flat rate.

The principal cannot transfer the accepted flat rates to third parties without the forwarder's consent.

III – ORDER (DISPOZITION)

Paragraph 6.

The forwarder carries out the shipment of goods, as well as the tasks related to the shipment of goods, based on the order (disposition) of the principal.

The order (disposition) contains all the necessary information about the goods and their properties, precise instructions regarding their shipment and the execution of tasks related to the shipment, as well as other information necessary for the proper and timely execution of the given order.

Paragraph 7.

The principal is obliged to inform the forwarder about the characteristics of the goods, which may endanger the safety of persons or goods, or cause damage.

When the consignments contain valuables, securities or other expensive items, the principal is obliged to inform the forwarder about this and to inform him of their value at the time of handover for shipment.

Paragraph 8.

The forwarder is obliged to comply with the disposition of the order.

The principal shall inform the forwarder if he transfers his rights under the forwarding contract to a third party.

The forwarder is liable to the third party within the limits of his obligations under his order, unless otherwise agreed.

Paragraph 9.

When the data forwarder is a disposition, he considers that he has also been given the authority to pay freight, duties and other costs.

The principal shall promptly make the necessary funds available to the forwarder to pay the costs referred to in paragraph 1 of this article, otherwise he shall bear the consequences.

If the principal instructs the forwarder to contact the business partner of the principal for the funds referred to in paragraph 2 of this article, the principal shall be obliged to previously obligate his business partner. In such cases, the forwarder shall make the payment at the expense and risk of the principal, in such a way that the principal remains obligated to the forwarder if, for reasons beyond his control, he fails to collect the costs of the business partner.

Paragraph 10.

The order (disposition) is usually given in writing.

An order given in writing, by telephone, telegraph or fax should, as a rule, be confirmed on the same day if possible, and at the latest on the next working day.

If the order is given verbally, by telephone, telegram, telefax or e-mail, and is not subsequently confirmed in accordance with the previous paragraph, the forwarder is not liable for any harmful consequences.

When the order is clearly incomplete, unclear or contradictory, the forwarder is obliged to promptly request the necessary clarifications from the principal.

If the forwarder is unable to obtain the necessary clarification in the given circumstances, and the case cannot be delayed, he is obliged to act as a good businessman by protecting the interests of the principal, and to inform him immediately.

Paragraph 11.

The principal bears all the consequences of the last mistake, incomplete, unclear, contradictory and too late disposition.

Paragraph 12.

The principal shall promptly submit to the forwarder all documents required for the execution of the order (disposition).

The principal shall be deemed not to have submitted the necessary documentation to the forwarder even in cases where his business partner has not submitted such documents to the forwarder on time.

The forwarder shall not be liable for hidden defects in the document.

All consequences arising from defective documents or untimely delivery by the forwarder shall be borne by the principal.

The forwarder shall not be obliged to deliver or take over the goods with a guarantee.

Paragraph 13.

The forwarder who executes an order (disposition) regarding the collection of the principal's claim from the recipient of the goods shall not examine the validity of the order nor assume a guarantee. If the recipient refuses to take over the goods, the forwarder shall notify the principal and at the same time take the necessary measures to preserve them until a subsequent order.

The principal shall pay the forwarder, for the tasks referred to in the previous paragraph, a special service fee and reimburse him for all costs incurred in collecting the claim.

Paragraph 14.

When the principal changes the disposition, the execution of which has already begun, the forwarder will act on the changed disposition if possible, without liability for the consequences caused by the change in disposition.

Paragraph 15.

When the principal withdraws the given disposition, he is obliged to pay the forwarder compensation for services already provided, as well as compensation for costs incurred.

IV – ACCEPTANCE AND DELIVERY OF GOODS

Paragraph 16.

The forwarder received the goods when he took them over for shipping.

Handover to the carrier is considered to be the delivery of the goods.

Unless otherwise agreed, the forwarder can carry out the transport himself, in whole or in part.

If the forwarder carries out the transport, he has the rights and obligations of the carrier.

Paragraph 17.

The forwarder is obliged to inform the principal about the main stages of the transport of his goods.

Paragraph 18.

If the principal has concluded a contract for the transport of goods by sea, it is mandatory to agree on the conditions of unloading and loading customary in relation to ports.

The principal bears the costs incurred because the port company or shipper does not meet the unloading and loading conditions, customary in the port.

The customer also bears the costs incurred in the last congestion of the port, wharf, marshalling and collection stations and other traffic points, lack of storage space, lack of means of transport, waiting for the ship in the port and other means of transport in the docks and railway stations, extended overtime, waiting on holidays and Sundays and interruptions due to accidents.

Paragraph 19.

The forwarder is not responsible for the notifications of ships and their agents regarding the movement and arrival of the ship, nor for the notifications of other ships.

The forwarder is obliged to control the data related to the operation of the ship, in particular the data regarding the calculation of the time spent at the berth and beyond the berth, and is responsible for this data.

Paragraph 20.

The delay in the use of means of transport for shipments where the forwarder is the recipient according to the transport documents, and which did not occur due to the proven fault of the forwarder, is borne by the principal with the right of recourse against the company that caused the delay.

V – TRANSPORT AND ACCOMPANYING DOCUMENTS

Paragraph 21.

With regard to the documents required for the transport of goods, the forwarder may use existing standard documents-forms that are common in certain branches of transport. If these documents contain clauses that reduce or exclude the carrier's liability, the forwarder shall not be liable for these clauses.

When the principal wishes to exclude certain clauses in the usual transport documents, he shall expressly and promptly notify the forwarder in writing.

The forwarder is obliged to warn the principal that the last exclusion or addition of clauses in the transport documents may clearly result in harmful consequences.

Paragraph 22.

The forwarder does not examine the validity of the authorization of the bearer of the accompanying documents, nor of the signatory of the disposition. The forwarder also does not examine, upon receipt of the disposition, whether there are legal or other obstacles to the shipment of goods, and whether there are import, export or transit restrictions, etc. Any costs incurred in this regard are borne by the principal.

VI – ARRIVING DAMAGED SHIPMENTS AND PROCEDURE

Paragraph 23.

When a shipment arrives at its destination visibly damaged or with visible damage, the smaller forwarder, who represents the recipient at that location, is obliged to immediately notify the principal of the damage and of all events significant to the principal, and to take all necessary measures to preserve his rights towards the responsible person.

Paragraph 24.

If the forwarder believes that certain actions should be taken in the interests of the principal, and cannot obtain his instructions beforehand, he is authorized to carry out the operation for the account and at the risk of the principal. When the forwarder represents both the sender and the recipient at a transshipment point, he is obliged to protect the interests of both with the care of a good businessman by informing them of his work.

Paragraph 25.

In the event of general average, the forwarder is obliged to inform the principal of the facts he has learned.

VII – INSTRADATION

Paragraph 26.

When the disposition does not contain an order about the transport route, the means of transport and the way in which the goods should be shipped, the forwarder is authorized to choose or combine the elements that will be the most suitable for the principal.

Paragraph 27.

When goods are shipped by rail, and the principal has indicated only the recipient's place of residence, without indicating the destination station, the forwarder will, if he is unable to obtain the necessary clarification from the principal in a timely manner, send the shipment to the station that is most convenient for the principal. In this case, the forwarder is not responsible for the choice of station.

Paragraph 28.

The forwarder may dispatch daily consignments in groupage traffic, unless he has received a different written order.

The forwarder is obliged to issue the principal, if the principal requests it, a standard freight forwarding certificate regarding the undertaking and dispatch of the goods.

The forwarder is entitled to the difference in freight rates achieved through groupage shipping, but in that case he is not entitled to the necessary additional compensation.

Paragraph 29.

The principal shall, in a separate contract, and in accordance with the parity from that contract, oblige his partner to comply with the instructions given by the forwarder regarding the transport of goods. The forwarder shall not be liable for damage if the principal's partner does not comply with his instructions.

VIII - DEADLINES

Paragraph 30.

The forwarder is responsible for the shipping or delivery deadline only if he has expressly committed to it, and even then within the limits of the liability of the carrier and other participants in the transport of goods engaged by the forwarder.

Paragraph 31.

The forwarder is obliged to act conscientiously and carefully at the place of transshipment of goods, so that the transshipment is carried out in the most suitable manner.

The forwarder is not liable for disruptions and delays in the transshipment of goods that are a consequence of the negligence of the carrier, transshipment and other companies or force majeure.

The forwarder is not liable for the untimely deployment of means of transport by the carrier, and for the untimely arrival of goods due to traffic jams and other disruptions.

IX - PACKAGING OVERVIEW

Paragraph 32.

The principal, i.e. his partner, is obliged to pack the goods according to their nature, characteristics, and the needs of the transport route and means of transport.

The forwarder is not responsible for the consequences that arise if the principal or his partner does not comply with the provisions of the contract.

If the forwarder notices that the goods are not packed or otherwise not properly prepared for transport, the forwarder is obliged to warn the principal about these defects.

If waiting for the principal to remove them would be detrimental to the principal, the forwarder is obliged to remove them at the expense of the principal.

X – QUANTITY DETERMINATION

Paragraph 33.

Unless otherwise agreed, the forwarder accepts piece goods only by the number of pieces, and bulk goods according to the instructions of the principal or according to the transport documents, without liability for the weight of the contents, or the nature of the goods.

Weighing, measuring and counting of goods and packages is carried out only by order or in the case of obvious damage or small goods, with the collection of costs and additional fees. The forwarder may also weigh the goods through a company that deals with this business.

XI – SAMPLING

Paragraph 34.

The forwarder takes and ships the samples according to the customer's instructions.

The customer bears the costs of taking, shipping and additional fees.

The forwarder is only responsible for taking samples from the batch of goods specified to him.

XII – CUSTOMS CLEARANCE

Paragraph 35.

It is considered that the issuance of an order (disposition) for the shipment of goods also constitutes an order for customs clearance, unless otherwise expressly agreed in writing.

In the customs clearance procedure, the forwarder acts on behalf of and for the account of the principal. The forwarder submits customs documents based on the data of the principal, or his business partner. The forwarder is not liable if the data does not match the actual situation. The principal is obliged to compensate the forwarder for any damage caused.

A special fee is due for performing the duties of forwarder's customs representative.

The order for customs clearance of goods does not contain an obligation for the forwarder to pay customs duties on behalf of the principal.

The forwarder determines the place of customs clearance when it is at the disposition, or when it is not specified by regulations.

XIII – INSURANCE

Paragraph 36.

The forwarder insures the goods upon express order in connection with each individual shipment. The indication of the value of the shipment in the order is not sufficient in itself to be considered an insurance order. Likewise, the insurance of one shipment does not create an obligation for the forwarder to insure all subsequent shipments of its principal.

When the insurance order does not contain special risks to be covered by insurance, the forwarder is obliged to cover only the basic transport risk.

If the principal has not given an insurance order, or has given an order for partial coverage, the harmful consequences that would subsequently arise are borne by the order.

XIV – STORAGE OF GOODS

Paragraph 37.

The forwarder is obliged to store the goods if requested by the client.

The forwarder may store the goods without a special order in its own warehouse or in the warehouse of a third party, if further shipment of the goods requires sorting, packaging, distribution or other manipulations.

Paragraph 38.

The forwarder is obliged to arrange the goods in an appropriate storage space, guided by the client's data, or their knowledge of the goods.

Paragraph 39.

The forwarder is obliged to inform the client about the warehouse company in which the goods are stored. This notification is not required when the goods of the same client are stored in a common warehouse or with a common warehouse company.

Paragraph 40.

According to the third party, the goods must be stored according to the rules applicable to that warehouse or according to existing customs.

Paragraph 41.

The forwarder stores the goods in its own warehouse according to the data received from the customer, that is, the data contained in the transport and accompanying documents. Damage caused by incorrect and incomplete data is borne by the client.

In the event of a lack of such data, the data determined by the forwarder are authoritative.

If the forwarder notices any damage to the goods stored in its own warehouse or their packaging, it is obliged to take the necessary measures to protect the goods or packaging at the expense of the client.

The forwarder does not perform special supervision over the stored goods, unless expressly requested by the client, or such supervision is necessary due to the nature of the goods.

Paragraph 42.

The client may inspect the stored goods accompanied by an authorized forwarder's representative, in accordance with the warehouse rules, as well as customs regulations, if the goods are subject to customs duties.

Paragraph 43.

The client is authorized to dispose of the stored goods exclusively through the forwarder. If the client transfers this right to another, he shall inform the forwarder thereof without delay, pay his obligations to the forwarder and give him instructions regarding further action with the goods.

Paragraph 44.

Goods will be stored under special conditions:

- a) exposed, self-igniting and easily flammable objects,
- b) goods that emit an unpleasant smell,
- c) goods that can permanently affect other stored goods,
- d) easily perishable goods that are subject to decay and rotting,
- e) radioactive substances,
- f) volume goods, according to the provisions of the client or warehouse,
- g) other dangerous goods.

If any of the goods mentioned in the previous paragraph are handed over for storage and the forwarder is not informed of the nature of the goods, the customer shall be liable for the resulting damage. The forwarder shall also be entitled to remove these goods at the expense and responsibility of the customer, even before informing the customer, or to have them sold at a public auction in accordance with the customs of the place where the goods are stored.

Paragraph 45.

The forwarder is liable for the loss or damage of goods stored in his warehouse, if he has not brought the goods to the attention of a proper warehouse. When the goods or packaging are damaged through the fault of the forwarder, he is obliged to remove the damage at his own expense. If such an opportunity does not exist, the forwarder is obliged to compensate for the damage.

Paragraph 46.

The forwarder is not liable for any damage resulting from the item not being packaged, or from insufficient or inappropriate packaging.

Paragraph 47.

If the damage occurred as a result of storage in the forwarder's open warehouse, it is customary for such goods to be stored in an open warehouse, or if such storage occurred at the client's request, the damage is borne by the client.

Paragraph 48.

The forwarder is not liable for damage caused by force majeure. Likewise, he is not liable for damage due to the natural properties of the goods, such as leaks, mould, rust, dirt, and the like. The forwarder is obliged to notify the client of the damage from the previous paragraph without delay.

Paragraph 49.

The forwarder insures goods stored in a personal warehouse or in a third party warehouse only upon written order from the client.

Paragraph 50.

When the insurance order does not contain more detailed information, the forwarder insures the robust in its warehouse only in the event of fire and flood.

Paragraph 51.

Visible shortages and damage to the goods in the forwarder's warehouse, or to their packaging, shall be determined by the client immediately upon receipt.

For shortages and damage that are not visible and cannot be determined externally, a complaint must be made to the forwarder by registered letter within eight days of receipt of the goods.

The goods may not be removed from the place where the damage was discovered until the forwarder has inspected the goods and determined the damage and its causes.

The forwarder is obliged to carry out this inspection within seven days of learning of the damage.

XV – FEES FOR SERVICES AND RECOMPENSE OF EXPENSES

Paragraph 52.

The forwarder is entitled to compensation for his services, as well as reimbursement of his expenses.

The compensation is determined by the tariff or a special agreement.

The principal remains obligated to the forwarder even when he instructs him to collect his compensation from third parties.

For his services performed for a foreign principal, the forwarder is entitled to compensation for these services and reimbursement of his expenses in the currency of the country in which the principal has its registered office, or, by agreement, in another currency.

When the forwarder, summoned before the statute of limitations, has paid less than the invoiced freight, customs duties, storage fees, demurrage and the like, the principal is obliged, if these expenses were not included in a single total amount (flat rate), to reimburse the amounts paid.

The prohibition and other measures do not affect the forwarder's rights towards the principal, so even in such cases all his rights to compensation remain intact.

The forwarder's invoice is payable within eight days of receipt, unless otherwise agreed.

Objections to the invoice must be filed within the same period.

When the objection disputes only part of the invoice, the undisputed part is payable within eight days. When the forwarder advances his own funds in the execution of the order, he is entitled to a special commission for the cash issued, the amount of which is determined by the tariff, or by agreement with the principal.

XVI – FORWARDER RESPONSIBILITY

Paragraph 53.

The forwarder is obliged to act in every case in the interests of the order and with the care of a good businessman.

When the forwarding contract determines a total freedom (a complete flat rate for all phases of freight forwarding, i.e. transport) for the execution of the entire freight forwarding order, it includes the complete fee for all services, i.e. forwarding fee, transport fee, and other costs.

In other cases, the forwarder is responsible for the selection of the carrier and for the selection of other persons with whom he has concluded a contract for the execution of the order (storage of goods, etc.), but is not liable for their work, unless he has assumed this responsibility by contract.

In such cases, the forwarder is obliged to take all necessary measures to ensure the right of the principal to compensation for damage.

A forwarder who entrusts the execution of the entire order to another forwarder, instead of executing it himself, is liable for his work.

If the forwarder also performs other tasks included in the order, customs or general conditions, he has the rights and obligations arising from such types of work.

If the order contains an express or implied authorization for the forwarder to entrust the execution of the order to another forwarder or if this is obviously in the interests of the principal, the forwarder is liable only for his selection, unless he has assumed responsibility for his work.

Paragraph 54.

The forwarder is responsible for the number of pieces as well as for the package markings, if visible.

The forwarder is not responsible for the weight, volume, quality, content and value of the goods. The forwarder's service is considered to have been properly performed if the shipment is further shipped in the condition in which it was received.

The forwarder is not responsible for damage caused by force majeure or the properties of the goods themselves.

Paragraph 55.

The forwarder is not liable for incorrectly calculated freight charges, as well as customs and other public fees. He is obliged to file a complaint only if the principal expressly requests it. In such a case, the principal is obliged to submit to the forwarder the transport, customs and other documents necessary for filing a complaint.

The forwarder is obliged to send the documents to the principal within three days of their receipt.

Paragraph 56.

The forwarder may, if objectively possible, and upon request of the principal, file claims for damages and conduct a dispute against the person with whom he concluded a contract for the execution of the order for the forwarding of goods, at the expense, for the account and at the risk of the principal.

XVII – PURCHASE AND DETENTION

Paragraph 57.

In order to ensure the collection of its claims arising in connection with the forwarding contract, the forwarder has the right to pledge and retain the goods handed over for shipment and in connection with the shipment as long as he holds them or until he has a document by which he can dispose of such goods.

When another forwarder participated in the execution of the forwarding, he is obliged to take care of the collection of the claim and the exercise of the lien rights of the previous forwarders.

If another forwarder pays the forwarder's claims against the principal, those claims and the forwarder's lien rights are transferred to him according to the law itself. The same happens if another forwarder pays the carrier's claims.

Paragraph 58.

When, at the disposal of the principal, the goods are made available to a third party, or are to be handed over to a third party, the forwarder can use a real lien for claims against third parties only if the claim is related to the goods held by the forwarder on the aforementioned basis.

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PRESIDENT
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