

New policy for used vehicle shipments from Canadian load ports

Over recent months, we have seen an increased number of used vehicle export shipments being seized by Canada Border Service Agency (CBSA) before they leave Canada. There has also been an increase in the number of used vehicle export shipments being stopped and cargo seized at transshipment ports.

To mitigate the possibility of export used vehicle shipments being seized in Canada or abroad, with effect from shipments booked after May 22, 2023, in compliance with a new directive issued by the CBSA, the following documents will be required, in advance of inland or port cut-off (whichever is first), for all export used vehicle shipments from Canada:

- Canadian entity as forwarder or shipper must be provided at the time of booking. Please note that this cannot be USA parties, otherwise the booking will be cancelled.
- Signed copy of these presents and of the accompanying Compliance Declaration and Letter of Undertaking (also reproduced below for your convenience), confirming that your shippers have been vetted and that you will, together with the "Merchant" as defined in Hapag-Lloyd Aktiengesellschaft, Hamburg's (HLAG) standard Bill of Lading or Sea Waybill, be jointly and severally responsible for all costs, which include but are not limited to legal fees, court costs, fines / penalties, freight, demurrage, detention, storage, etc., resulting from non-compliance with any CBSA requirement. This Compliance Declaration and Letter of Undertaking is required only once and will be kept on file for application to all future used vehicle shipments from that forwarder/booked-by party:
- Copy of the title (ownership) of the vehicle(s) to be shipped;
- If sold by private sale, a copy of the seller's driver license;
- Copy of the Bill of Sale showing the addresses and phone numbers of the seller and vendor; each vehicle's VIN number; description of the vehicle(s) and sale price; and
- Customs submissions as provided to CBSA for these exports (this should include the Canadian Business Number)

For bookings made in our Atlanta office, all documents should be sent through our website's booking amendment tool Hapag-Lloyd Booking Amendment with the Subject: Doc for Used Vehicle shipment 123456789 (shipment #).

For bookings made in our Long Beach office, all documents should be sent to LGBBOOK@hlag.com with the Subject: Doc for Used Vehicle shipment 123456789 (shipment #).

In either case, please ensure these are sent at least 7 days prior to the inland or port cut-off to allow ample time to review the documents. If these documents are not received before the cut-off, the shipment will be cancelled. For bookings with container activity, the shipment will be rolled to the next available vessel. Any resulting changes in freight rates will be recoverable, as will any resulting additional charges, fees and expenses for such items which include, but are not limited to, storage, export detention, demurrage, etc.

In addition to the above new requirements, please note that we will no longer accept any diversion / COD requests for any used vehicle shipment booked after May 15, 2023. Lastly, we highlight the fact that in compliance with local regulations, we do not accept used vehicle shipments where the booked-by party or the shipper on the booking is not a Canadian business entity
Sincerely,

Compliance Declaration and Letter of Undertaking

As regards any shipments of used vehicles which we accept from our shippers and in turn move with Hapag-Lloyd Aktiengesellschaft, Hamburg (HLAG), by these present, we, **(insert name of entity)**, confirm the following:

- We have thoroughly vetted each shipper to ensure that the shipper is authorized to export the vehicle(s) in question in full compliance with all applicable CBSA requirements;
- We will provide HLAG's agent, Hapag Lloyd (Canada) Inc., with the required documentation enumerated in HLAG's New Policy for Used Vehicle Shipments from Canadian Load Ports, the receipt of which we acknowledge undertake to be bound by; and
- We undertake to be jointly and severally responsible with the "Merchant", as defined in the contract as evidenced by HLAG's standard Bill of Lading / Sea Waybill, as applicable, for each shipment in question as regards all costs resulting from non-compliance with any applicable CBSA requirement, which costs include, but are not limited to, legal fees, court costs, fines / penalties, freight, demurrage, detention, storage, *etc.*

I **(insert name)**, **(insert title)** of **(insert name of entity)**, confirm that I have read HLAG's new policy for used car shipments from Canadian load ports and acknowledge and agree to be bound by same.

Signed this _____ of _____, 2023 in _____, Canada

_____ (signature)

I confirm that I have authority to sign this acknowledgement.

(Corporate Seal)