

To: Concerned in Cargo / Containers

(18 February 2019)

## **“YANTIAN EXPRESS”**

As mentioned in previous advices, whilst the vessel was on passage from Colombo to Halifax and thereafter to ports in USA, a fire broke out on deck and towards the fore end of the vessel. Shipowners have engaged salvors SMIT Salvage Americas, LLC under a Lloyds Open Form contract dated 3 January 2019 (LOF).

Shipowners have declared General Average (GA) and have appointed Richards Hogg Lindley to collect the necessary GA security. Salvors have also requested Richards Hogg Lindley to assist with the collection of Salvage Security.

The vessel is currently at Freeport, Bahamas, where salvage operations are still ongoing. On termination of the services under the LOF, the Salvors are entitled to salvage security.

In order to expedite the collection of salvage security and to facilitate on-carriage of cargo to destination, Salvors have now set an early security demand, as follows.

This notice includes further details and instructions for the provision of the Salvage and General Average security required, as follows:

- A) Salvage security
- B) General Average security
- C) Cash deposit instructions and other relevant information.

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## A) SALVAGE SECURITY

Security is required by Salvors in the amount of **32.5%** of the CIF value of cargo and containers. This security is to be provided in one of 3 ways, as follows:

- 1) To be lodged with the Salvage Arbitration Branch of Lloyd's, London.

These guarantees are to be arranged by cargo / container insurers' UK representatives / correspondents direct with Lloyd's whose contact details are as follows:

Corporation of Lloyd's	Tel:	+44 (0)20 7327 5407
Salvage Arbitration Branch		
One Lime Street		
London EC3M 7HA	Email:	<a href="mailto:diane.bowles@lloyds.com">diane.bowles@lloyds.com</a>
United Kingdom		
Website - <a href="http://www.lloydsagency.com">www.lloydsagency.com</a>		

OR

- 2) By means of an ISU 1 guarantee provided by cargo / container insurers, but only if the issuing entity is:

- Located in a Western European jurisdiction such as UK, France, Germany, Holland, Belgium, Scandinavia

and

- A rated (A- or better) by S&P or equivalent

The ISU1 form (which can be downloaded from our (RHL) casualty website, details on page 5 below) should be completed and signed by the cargo / container insurance company on letterheaded paper and sent by email to Richards Hogg Lindley, together with a copy of the cargo invoice.

OR

- 3) If cargo / containers are not insured, or if cargo / container insurers cannot provide security in either of the above two formats, then a cash deposit needs to be arranged as salvage security. Please see section C below for details.

## B) GENERAL AVERAGE SECURITY

As mentioned in the previous notice, General Average (GA) security is required as follows:

1) Copy of the **cargo invoice**,

and

2) An **Average Bond** completed and signed by Owners of the cargo / container (including uninsured cargo)

and

3) either:

a. for insured cargo: An **Average Guarantee** completed and signed by cargo/ container insurance company

*(This form should be completed and signed / stamped by the cargo / container insurers. This form will not be accepted if it has been completed and signed by the cargo / container owners themselves.*

or

b. for uninsured cargo: A **cash deposit** of **28%**. Please see section C below for details.

Copies of the Average Bond (to be completed by all cargo / container Owners) and Average Guarantee forms (cargo / container insurers) can be downloaded from our (RHL) casualty website, details on page 5 below).

These should be completed and signed by the cargo insurance company on letterheaded paper and sent by email to Richards Hogg Lindley, together with a copy of the cargo invoice.)

### C) CASH DEPOSIT INSTRUCTIONS AND OTHER RELEVANT INFORMATION

As mentioned above, for uninsured cargo a cash deposit of **32.5%** is required as salvage security. An additional **28%** is also required as General Average security.

The total deposit required is therefore **60.5%**. The deposit is to be calculated based on the cargo CFR value (cost of the cargo including the cost of sea freight).

The deposit can be paid in US Dollars into the bank account of our Liverpool office (for parties based in Europe or North America) or our Singapore office (parties based elsewhere).

Please instruct your bank to quote this reference: “**YANTIAN**”, and the container number(s) the deposit relates to and send us a copy of the bank remittance advice by email so that we can identify the incoming payments.

#### Liverpool Office Bank Account

<b>Currency:</b> United States Dollars
<b>*Account Name/Beneficiary:</b> Charles Taylor Adjusting Ltd Client Account
<b>Bank:</b> Natwest Bank
<b>Address:</b> PO Box 192
116 Fenchurch Street
London EC3M 5AN
<b>IBAN:</b> GB73 NWBK 6073 0127 0357 94
<b>IBAN BIC/ SWIFT:</b> NWBK GB 2LXXX

*\*Richards Hogg Lindley is a trading name of Charles Taylor Adjusting Ltd*

#### Singapore Office Bank Account

<b>Currency:</b> United States Dollars
<b>Account Name/Beneficiary:</b> RICHARDS HOGG LINDLEY - CLIENT A/C
<b>Bank:</b> HSBC Singapore
<b>Address:</b> 21 Collyer Quay
#01-01 HSBC Building
Singapore 049320
<b>Account Name number:</b> 260-002712-180
<b>SWIFT:</b> HSBCSGSG

Please note that the Salvage security deposit funds (32.5%) will be held until the Salvage remuneration has been agreed or awarded. If the final amount due is less than the deposit paid, then there will be a refund of the difference due back to depositors at that time.

The GA deposit funds (28%) will be held until the General Average adjustment has been completed. Only at that time will the final amount due in General Average be known. If the final amount due is less than the deposit paid, then there will be a refund of the difference due back to depositors. This will be a lengthy process due to the nature of this case.

The completed security documents should be sent **by email** to Richards Hogg Lindley:

	Parties based in Europe or North America to contact:-	Parties based in all other locations to contact:-
Email:	<a href="mailto:info-liverpool@rhl-ct.com">info-liverpool@rhl-ct.com</a>	<a href="mailto:singapore.ga@rhl-ct.com">singapore.ga@rhl-ct.com</a>
Address:	Richards Hogg Lindley 4 <sup>th</sup> Floor, Royal Liver Building Liverpool L3 1JH United Kingdom	Richards Hogg Lindley 140 Cecil Street #15-00 PIL Building 069540 Singapore
Phone:	+44 (0)151 227 2175	+65 6506 2897/8

Please quote the ship name (YANTIAN EXPRESS) plus your container number and bill of lading number in all email correspondence.

### **RHL Casualty Website**

Blank security forms, lists of potentially damaged containers, plus further news and information including release procedures for cargo will be made available at: [www.rhlq.com/clients](http://www.rhlq.com/clients).

Select the vessel's name (**YANTIAN EXPRESS**) from the dropdown menu and enter the password which for this case is: **YE119GA**

### **Delivery of Cargo**

Cargo can only be released after acceptable General Average and salvage security has been lodged.

A list of containers for which acceptable security has been provided will be loaded onto our website (see website link and password above)

Once acceptable security has been provided, please address any questions regarding delivery / forwarding arrangements to the relevant shipping line. Further details regarding the shipping lines plans for delivery of cargo may be added to our casualty website in due course.

### **Note regarding LCL / Groupage cargo**

Freight forwarders should URGENTLY provide a full breakdown of any LCL / Groupage containers as soon as possible in order to readily identify all the individual shipments within the container. This breakdown should include house bill of lading numbers, cargo descriptions, cargo weights plus details of the shippers and receivers of the goods.

**Please treat this as a matter of utmost urgency to avoid unnecessary delay: cargo cannot be released until the General Average and salvage security requirements have been met.**