



FIATA GROUP BOND PROGRAMME

DO YOU SHIP OCEAN CARGO TO OR FROM THE UNITED STATES?

If so, you need to be registered with the U.S. Federal Maritime Commission (FMC). If you issue a house bill of lading and ship cargo between the United States and another country, you need to register.

If the FMC determines that you are operating without registering and without proof of financial responsibility and a tariff, you will be fined. Fines range from US\$6,000 to US\$60,000 per violation. Your ability to move cargo to or from the United States will be impacted, as will your relationships with trading partners in the United States.

The FIATA Group Bond allows NVOCCs to meet the FMC's financial responsibility requirement. Avalon Risk Management provides the only group bond endorsed by the International Federation of Freight Forwarders Associations (FIATA).

Joining the FIATA Group Bond provides participants with the following key benefits:

- Streamlined underwriting process with the elimination of collateral requirements.
- Competitive annual bond premium of only 1 percent of the bond limit.
- Competitive premiums on U.S. Customs and Border Protection (CBP) bond types C2 and C3
- Regulatory guidance regarding FMC issues.
- Subscription to The Quest newsletter and periodic mailings of educational materials.
- Official FIATA Certificate of Participation.

Do I need to become licensed?

Non U.S.-domiciled NVOCCs without an office in the United States may remain unlicensed. They must, however, register with the FMC and file proof of financial responsibility for US\$150,000. These companies must also maintain and publish a tariff, and file Form FMC-1. Companies that wish to be licensed may do so. To become licensed, companies must submit an application (Form FMC-18) to the FMC, maintain and publish a tariff and provide proof of financial responsibility for US\$75,000, plus US\$10,000 for each additional branch office. Companies with a physical presence in the United States must become licensed, maintain a tariff and file proof of financial responsibility for US\$75,000, plus US\$10,000 for each additional branch office.

For further information, contact fiatabond@avalonrisk.com or visit www.avalonrisk.com/fiatabond



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