

# Raising the bar for agents and brokers



The FONASBA quality standard (FQS) was conceived in 2005, when there was much discussion throughout the industry about raising standards. The lack of an international quality regime for ship agents and ship brokers was, therefore, a significant gap in the total quality chain. As the global representative body for those professions, FONASBA was best placed to develop a quality regime that would be both sufficiently robust to be relied on by ship owners and operators, and also be reflective of the responsibilities and obligations of agents and brokers. Furthermore, the requirements had to be flexible enough to be equally applicable to small independent agents or brokers, as well as major multinational companies.

BIMCO is a strong supporter of the FQS as a quality standard for the industry. Søren Larsen, BIMCO's Deputy Secretary General explained why:

*"In the shipping industry it is not difficult to call yourself a broker or an agent and so we believe the FQS is crucial to underpin the attempts of ship brokers and agents to raise standards in their sector. An auditing scheme like FQS makes a real difference to these standards, compared to a voluntary code of conduct. This is why BIMCO strongly supports the scheme which of course depends on broad backing in the brokering and agency business."*

The core FQS criteria require that the company be a member of a FONASBA association, complies with all relevant national accounting regulations, be committed to ensuring that its staff are fully trained (or better still, professionally qualified) and

that it operates to the highest standards of professionalism. Every approved company must also commit to upholding the Federation's Code of Conduct. FONASBA has members in more than 50 countries worldwide, with a broad range of legal, fiscal and operational constraints, so those criteria

An endorsement from a Marine Superintendent with a Swiss ship manager demonstrates, FONASBA's Quality Standard is a valued resource when appointing ship agents and shipbrokers worldwide.

*"When the Chief Officer suffered a medical emergency, I was called at 6 a.m. to divert our ship to a port where we would not normally call and so had no regular agent. I opened the Shipbrokers' Register App, in order to choose quickly a reliable company that would take care of all the formalities at short notice. Since there was no time to discuss costs or send advance funds, I had to follow my instinct, only considering agents holding the FONASBA Quality Standard, were BIMCO members or preferably both. My owner would ask me to justify my decision if something had gone wrong, but with the agent approved to an international quality standard, I was confident everything would go smoothly. As it turned out, the Chief Officer survived the emergency, because of the professionalism of everyone involved. Truthfully, I don't mind paying more for a FQS agent, who adheres to a higher standard, because I know they will take good care of my owner's multi-million dollar ship and it's even more valuable cargo"*

are by necessity somewhat general. Working from those foundations, FONASBA member associations tailor the criteria to comply with their own national laws and regulations. They are also encouraged to strengthen the base criteria in order to enhance their version of the standard.

Today, the FQS is in place in 24 FONASBA member countries and over 350 ship agency and broking companies are approved. Competition amongst ship agents is fierce and in most countries there are no minimum requirements for establishing a ship agency. So it provides a welcome and much-needed opportunity for approved companies to demonstrate clearly their quality service provision and promote themselves ahead of their rivals. All FQS approved agents and ship brokers are listed on the FONASBA website, allowing shipowners and operators to identify them easily. With nearly half our members issuing the FQS, the Federation is now working to introduce it in the remaining countries.

As coverage of the FQS widens, shipowners, operators and charterers can require that their agents and brokers be approved. We have already seen instances where FQS approval is a condition for securing an agency appointment. Furthermore, it is now being actively considered for incorporation in standard agency clauses and FONASBA is working with the developers of those clauses to secure its inclusion.

As stated earlier, responsibility for introducing the FQS, promoting it amongst the members and administering it is passed on to the associations themselves. So, how do they see the FQS locally? The Association of Ship Brokers and Agents (USA) Inc.,



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(ASBA), FONASBA member for the USA, developed and introduced its own mandatory certification of ship agent members in 2005. With their criteria already exceeding the FONASBA minima, ASBA was one of the first member associations to gain approval under the FQS. We asked Jeanne Cardona, Executive Director of ASBA and one of our most enthusiastic supporters of the FQS, to contribute her thoughts. She writes:

*“In a recent survey conducted by ASBA, maritime principals ranked the criteria deemed most important in their decision to appoint a ship agent as:*

- *A fiscally responsible company*
- *Employing trained boarding agents*
- *Experience with the cargo and vessel type*
- *The principal’s past experience of, and relationship with, the agent*

*“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, coordinating local scheduling and logistics with the key players – the owner, charterer, shipper, receiver, terminal, and, of course, the ship. That work starts well before the vessel arrives, continues while the vessel waits to berth and long after it has sailed.*

*“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 extensive list of husbanding requirements that includes coordination 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.*

*“With these actions, obligations and responsibilities in mind, ASBA’s certification criteria directly address the needs of the principal and assures them that a certified agent is able to handle their vessel at the highest levels of professionalism and commitment.*

*“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 whenever possible. ASBA’s thirty certified member agents handled approximately 43,000 vessel calls in the USA and Canada in 2013, of which 14,000 were dry bulk and break bulk vessels. ASBA certified agents have therefore represented approximately 65% of the dry and wet bulk vessels calling US ports that year. In terms of experience, these statistics tell a clear story.”*

As FQS expands further, more of our member associations will recount similar success stories as the number of port calls attended by FQS approved agents, and ships fixed by approved brokers, continues to rise. The main success of the FQS, however, will be in raising further the already high standards of professionalism within the ship agency and ship broking sectors, ensuring that our members provide owners, operators and charterers with the best possible service at all times. The support and encouragement we have received from BIMCO, since the beginning, has been constant and unwavering and we are confident that, as adoption of the FQS continues to grow, so too will the support of BIMCO members. ■■

*Editor’s Note: Jonathan Williams has been General Manager of FONASBA since 2000. He is the accredited representative of the Federation at IMO and with the European Commission and other European institutions. Prior to joining FONASBA, Jonathan spent 25 years as the London representative of an Australian ship agency company. He is a Fellow of the Institute of Chartered Shipbrokers and a member of the Baltic Exchange.*

*List of countries currently accredited to the Standard: Argentina, Australia, Belgium, Brazil, Croatia, Cyprus, Denmark, Finland, France, Great Britain, Hungary, Israel, Italy, Japan, Malta, Mexico, Morocco, Norway, Peru, Portugal, Slovenia, Spain, Sweden and USA.*