

MEMO



NIGERIAN SHIPPERS' COUNCIL

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From: DRS

To: AD (ICT)

Dept: _____

Date: 09/11/2022

REQUEST TO UPLOAD NIGERIAN SHIPPERS' COUNCIL (NSC) REVIEWED STANDARD OPERATING PROCEDURE (SOP) ON NSC WEBSITE

The NSC Standard Operating Procedure has been reviewed and therefore forwarded for upload on Council's website, please find attached the hardcopy.

A softcopy has also been forwarded to the webmaster.

This is forwarded for your information and further necessary action, please.

A handwritten signature in blue ink, appearing to read "Abubarkar Mohammed".

Abubarkar Mohammed

Deputy Director, Standard Services

For: Director, Regulatory Services

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NIGERIAN SHIPPERS' COUNCIL

STANDARD OPERATING PROCEDURE (SOP)

1.0 INTRODUCTION

Standard Operating Procedure (SOP) of the Nigerian Shippers' Council is a set written procedure, policies and processes that explains step by step actions to ensure compliance with industry regulations and efficient service delivery.

Nigerian Shippers' Council (NSC) was established by Decree 13 of 1978, now Nigerian Shippers' Council Act Cap.N133, Laws of the Federation of Nigeria 2004.

Nigerian Shippers' Council was appointed the port economic regulator in February 2014; to create an effective regulatory regime at the Nigerian ports for the control of tariffs, rates, charges, as well as economic regulations of the port system to address the negative impact of port concession activities on the economy.

The appointment of NSC as port economic regulator was affirmed by a presidential order and ministerial regulation as follow:

- i. Nigerian Shippers' Council (Port Economic Regulator Order, 2015)
- ii. Nigerian Shippers' Council (Port Economic Regulations, 2015)

In the performance of the Regulatory roles the Council shall –

- a. *provide guidelines on tariff setting in order to guard against arbitrariness;*
- b. *monitor and enforce standards of service delivery to ensure availability, accessibility, affordability, stability, predictability and adequacy of services;*
- c. *encourage competition and guard against the abuse of monopoly and dominant market position;*
- d. *perform mediatory role among stakeholders;*
- e. *establish accessible and modern dispute resolution mechanisms;*
- f. *regulate market entry and exit;*
- g. *promote efficiency in the provision of port services;*

- h. minimize high cost of doing business and prevent its inflationary effect on the Nigerian economy;*
- i. encourage private sector investment in the port sector; and*
- j. monitor and ensure compliance by all parties with the provisions of port concession agreements.*

Vision

"To be the foremost Economic Regulator providing a framework that fosters effective, efficient and competitive service delivery for sustainable growth in the transportation sector"

Mission

- ✓ Establish an effective and efficient transport economic regulatory system which advances the rights and interests of stakeholders.
- ✓ Ensure that the Nigerian transport sector contributes optimally to the economic growth of the nation.
- ✓ Develop and sustain a professional workforce driven by knowledge and technology for consolidation and sustainable growth.

Mandate

Establish an enabling environment for all stakeholders by instituting an efficient and effective economic regulatory system in the transport sector.

Core Values

- i. Customer focus and stewardship
- ii. Innovation
- iii. Trust and integrity
- iv. Adaptability and value diversity
- v. Discipline and accountability
- vi. Equity and fairness
- vii. Leadership

2.0 REGULATED SERVICE PROVIDERS IN THE PORT SECTOR INCLUDES:

1. Nigerian Ports Authority;
2. Seaport Terminal Operators;
3. Shipping Companies and Agencies;
4. Off-Dock Terminal Operators;
5. Cargo Consolidators;
6. Logistics Service Providers;
7. Freight Forwarders and Clearing Agents;
8. Inland Container Depot Operators;
9. Stevedoring Companies;
10. Any other port service provider or user.

3.0 REQUIREMENTS FOR REGISTRATION

The regulations require all service providers in the ports to register with the NSC pursuant to **Regulation 4 (1)**.

Registration for all Regulated Service Providers and other Operators can be done through our online platform at www.shipperscouncil.gov.ng or visit the Nigerian Shippers' Council head office at No. 4, Otunba Ayodele Shoyode lane, Apapa, Lagos.

Duly completed application forms should be submitted with all relevant documents listed in the guidelines below to **The Registrar, Stakeholders' Registry, Consumer Affairs Department, 4th Floor, Shippers Towers, 4 Otunba Ayodele Soyode Lane, Apapa-Lagos or at any of the Council's offices nationwide.**

3.1 PAYMENT OF FEES

Once the application is submitted and appropriate fees paid, provided the applicant satisfies all registration requirements, the Registrar shall accept the application and same shall be processed and a certificate of registration issued within 7 (seven) working days.

NOTE: *The Nigerian Shippers' Council (NSC) reserves the right to review the above fees.*

3.2 RENEWAL OF REGISTRATION: Registration will be renewed annually.

4.0 PROCEDURE FOR REQUEST OF INFORMATION

The following procedure is required for all stakeholders requesting information from the NSC:

- i. A formal request in writing should be submitted to:

The Executive Secretary/CEO
Nigerian Shippers' Council
4, Otunba Ayodele Soyode Lane,
Apapa, Lagos.

or

Nigerian Shippers' Council (NSC) offices nationwide.

Request can also be sent to NSC e-mail address info@shipperscouncil.gov.ng or nsc@shipperscouncil.gov.ng

- ii. The request should indicate a verifiable address and phone number of the applicant
- iii. Upon receipt of the request, the ES/CEO transmits same to the appropriate department within 24 hours for processing.
- iv. A letter of acknowledgement will be sent within 24 hours.
- v. If the information requested is not within the purview of the NSC, the applicant will be informed or directed to the appropriate organization to get such information within 48 hours.

4.1 HANDLING COMPLAINTS

4.1.0 Procedure for Handling Complaints

4.1.1 Port Service Support Portal (PSSP)

4.1.2 Submission of Complaints through the PSSP

- i. The complainant will send his request through the port service support portal (www.pssp.ng)
- ii. The complainant will receive an acknowledgement immediately
- iii. Intervention will be escalated to the complainant as mediation continues on the case.
- iv. Feedback on a resolution will be sent to complainant within three (3) days

4.1.3 Physical Submission of Complaints

Where a port user or regulated service provider has any form of complaints or claim relating to loss, damage, quality of services or infringement on his rights at the ports, the following procedure shall be applicable:

- i. All complaints shall be sent to NSC in writing and addressed to:

***The Executive Secretary/CEO
Nigerian Shippers' Council,
4, Otunba Ayodele Soyode Lane,
Apapa, Lagos.***

or

Through an e-mail: complaints@shipperscouncil.gov.ng

Telephone: 07040955718, 07035846468

- ii. A letter of acknowledgement will be sent within 24 hours to the complainant on receipt.
- iii. The Council seeks response from the organization or person being complained against within 48 hours.
- iv. Commence immediate action towards resolving the complaint.
- v. Conduct further investigation where necessary to arrive at a conclusion and provide appropriate redress.
- vi. Resolution will be communicated to the complainant within a minimum of 3 days of receipt of complaint.

4.3 Obligations of the Complainant

- i. Desk officers of complaining organizations (service providers and consumers of services in the ports) must be accessible when needed.
- ii. Complainants/Respondents must not withhold useful information.
- iii. Complaints must be made only for legal and genuine shipping transactions.
- iv. Information supplied by complainants must be accurate and supported with necessary documentations.

5.0 CARGO DEFENCE SERVICES

5.1 Procedure for Filing Insurance Claims

5.1a. Importation

In line with section 67 of Insurance Act 2003, importation of goods into Nigeria shall be insured with a Nigerian registered insurer. Accordingly, the provisions of any law, contract or instrument for the importation of goods shall be in line with the provisions of the Insurance Act of 2003.

A claimant for damages or loss of cargo imported into Nigeria shall:

- i. Give immediate notice in writing to the insurance company.
- ii. Cargo loss joint-survey shall be carried out (including shipping companies, terminal operators or other providers of transport services) and photographs of the damaged goods should be taken within 24hours.
- iii. Provide necessary documents as stated in the marine certificate (stamped copy of Bill of Lading from the bank).
- iv. Provide estimates of loss incurred based on the Joint Survey report within 48 hours.
- v. Show salvage amount, if different from total loss amount of cargo within 48 hours.
- vi. Make a claim against any negligent third party such as shipper's agents, Master of the vessel, terminal operators, road transporters etc. and hand over copies of such claims to the Insurer. (Keep copies of all documents)

5.1b Exportation

- i. Cargo loss joint-survey shall be carried out (including shipping companies, terminal operators or other providers of transport services) and photographs of the damaged goods should be taken within 24hours.
- ii. Give full estimates of your loss (after the Joint Survey), within 48hours.
- iii. Show salvage amount, if different from total loss amount of cargo within 48 hours.
- iv. Make a claim against any negligent third party such as shipper's agents, Master of the vessel, terminal operators, road transporters etc. and hand over copies of such claims to the Insurer (Keep copies of all documents).

Contact Nigerian Shippers' Council at its Head Office or any of the Zonal Coordinating, Port or Area Offices for assistance.

6.0 GUIDELINES FOR SETTING/REVIEW OF TARIFFS, RATES AND CHARGES FOR SERVICE PROVIDERS IN THE NIGERIAN PORT SECTOR.

In line with section (5b) of Port Economic Regulation (2015), NSC has provided guidelines on tariffs, rates and charges, including setting the minimum and maximum levels of tariffs that shall be applicable in the port sector in Nigeria.

6.1 Procedures for Review of Tariffs, Rates and Charges

- i. All requests should be addressed to the Executive Secretary/CEO stating reason(s) and supported with relevant documents.
- ii. On receipt of application, NSC shall acknowledge receipt of the letter within three (3) working days
- iii. Where tariff adjustment is requested:
 - a. In the case of the Port Economic Regulator, it should cause to be issued notice of intent, specifying the justifications for the adjustment to the service provider(s) at least thirty (30) working days before the commencement of the new tariff.
 - b. In the case of the service provider, it should notify the Port Economic Regulator stating the reason(s)/justification(s), at least thirty (30) days before the commencement of negotiations.

- iv. The NSC shall verify the submissions within two (2) weeks based on the documents received from the applicant.
- iv. Where there are observed inconsistencies with the application submitted, the NSC may require further clarifications from the service provider to enable processing of the application or reject same with reasons.
- v. In such a situation, the Nigerian Shippers' Council shall communicate to the applicant, the rejection within three (3) working days.
- vi. Where the tariff is recommended by the Nigerian Shippers' Council, the service providers should create necessary awareness before implementation within 7 days.
- viii. NSC shall publish the approved tariffs/charges/rates/fees on its website and the print media for implementation seven (7) days after approval has been officially granted and fourteen (14) days before the commencement of the approved tariff regime.

7.0 CONFIRMATION OF REASONABLENESS OF FREIGHT RATES, CHARTER PARTY FEES AND DEMURRAGE PAYMENTS

7.1 Procedure for Confirmation of Freight Rates and Charter Party Fees

As a pre-condition for the purchase of foreign exchange from the Central Bank of Nigeria (CBN) to pay for freight rates and/or charter party fees, the CBN has determined that such applications must be confirmed by the Nigerian Shippers' Council as to their "reasonableness". As such, it is advised that any application to NSC should be in line with the following procedure:

- i. For Charter Party fees and freight rates, individual/companies cannot apply directly to the NSC; such application should be made through the commercial bank with which such applicants maintain accounts.
- ii. Any such application must clearly state:
 - The name of the individual/company on whose behalf the application is being made.
 - The purpose of the application i.e. whether it is for confirmation of freight rates or charter party fees.
 - For confirmation of freight rate, application must state whether it is for import or export.

- Applicants should note that the NSC will only consider applications for confirmation of freight rate for export if the sales contract is strictly on CIF basis.
- The amount on the invoice given to the applicant by the receiver of the freight (the shipping company).
- The applicant is in addition advised to attach a copy of the Form M, the proforma invoice for the transacted goods and a copy of CBN's directive for confirmation.
- As per applications for confirmation of Charter Party fees, the applicants in addition to the invoice must also attach the Charter Party agreement as well as a photograph/brochure of the vessel in question.
- The area of operation and the precise location of the chartered vessel as at the time of the application must also be clearly stated.

NB: Applicants must bear in mind that the NSC will undertake a Post Audit Visit (PAV) to ascertain the veracity of the information supplied by any applicant, (including the determination of the existence of the vessel in Nigerian waters {for charter hire fees} and evidence of payment of the freight rates requested). This will be at the expense of the applicants.

- i. Acknowledgement is issued within 24hours for a request made by Banks
- ii. NSC will issue letter of confirmation within 5 working days
- iii. Applicants are advised to ensure their applications reach the NSC in good time before the due date for the payment of the fees. The NSC on its part will ensure that such applications are handled within 48hrs upon receipt.

7.2 PROCEDURE FOR CONFIRMATION OF DEMURRAGE PAYMENTS

In addition to the above requirements that may apply for demurrage payments;

- a. Applicants are advised that all relevant invoices attached to the request should contain the following details:
 - i. Actual time of arrival and departure of vessel
 - ii. Demurrage free days
 - iii. Billable days
 - iv. Size/type of container

- v. Bill of Lading number
 - vi. Invoice number
 - vii. Rate per day
 - viii. Container number
 - ix. Voyage number
 - x. Agreement between principal and shipping agent
- b. Applications must be accompanied by a duly completed and approved **Form A**.
 - c. Applications would be treated on a ***“first come, first serve”*** basis within **15 working days**
 - d. Applicants should note that NSC will only consider the **Demurrage/Detention fee** excluding any other charges.
 - e. All invoices attached to the application must be **final invoices for the transaction**. Provisional invoices will be withheld until the transaction is completed.
 - f. Applicants must bear in mind that the NSC will study all invoices attached to the application to ensure that the amount being requested is in line with approved charges as only these will be confirmed. Further, **submitted invoices should be accompanied by an Excel spreadsheet summary**.
- A template can be obtained from the Nigerian Shippers' Council Head Office.***
- g. Applicants should endeavor to authenticate the invoices with the **Company's stamp and signature** of the Managing Director or any authorized officer.

The review of the standard operating procedures shall be carried out biannually or when the need arises.