

# LIPG Meeting 9<sup>th</sup> February 2022

# Agenda Point 1:- Competition Statement



- “Discussion at all BIFA meetings is confined to general industry/and or Association affairs. Persons chairing meeting, BIFA Secretariat Staff, or persons representing BIFA will not entertain discussion likely to contravene competition law, (including but not limited to pricing, discounts, price timing and other sensitive information



# Agenda item 2:- Agree Minutes of the Meeting of 30th September 2021



- Has anyone any comments on the Minutes?
- Can the Chair advise BIFA to sign the Minutes?



# Agenda item 3:- Matters arising from the Minutes of the 30/09/2021

- Action Point 1:-
  - TT Club do not have a IT solution for w-shipping documents
- Action Point 2:-
  - Covered by Agenda Item 4
- Action Point 3:-
  - Article attached to the invitation



# Agenda item 4 Update on Insolvency Act 2020



- Basic issue is that under the new legislation that freight forwarders would not be able to exercise a lien where a company is benefitting from “moratorium” under this legislation
- BIFA has been engaged with the Insolvency Service on this issue
- Meeting on 27<sup>th</sup> January as part of the review of the Act



# Agenda item 4 Update on Insolvency Act 2020 –cont'd 1

- Liens were not considered in the consultation and consideration of the legislation
- They are different in operation from financial instruments involving physical holding of goods rather than a contractual hold over goods
- The 1986 Insolvency Act enables payment of historic debts during the moratorium which this Corporate Governance and Insolvency Act prevents
- In doing so it means that when the moratorium commences the lien may be being exercised already and the company wants the goods and the forwarder wants the money and it cannot enforce and cannot be paid by agreement unless the Monitor agrees it and such agreement is limited in value. The Act does not say the goods must be handed over so the goods stay with the forwarder and get less and less valuable as storage goes up without an ability between the parties to settle.



# Agenda item 4 Update on Insolvency Act 2020 –cont'd 2

- Forwarders and other carriers deserve protection because they extend free credit in return for the ability to hold valuable goods, credit that the companies concerned could not get from financial institutions.
- There are enough challenges in the forwarding industry including covid isolation causing delays and inability to operate the ports and drive shortages and this is not a fair burden on them in the given circumstances
- If forwarder companies begin to fail because of the lack of a lien exemption in this Act it could well cause the failure of the companies That BEIS seeks to save as transport costs will go up and credit will no longer be extended



# Agenda point 5 – Member concerns regarding anti-competitive conduct by shipping lines



- Unclear picture as to situation:-
  - Shipping lines withdrawn contract rates
  - Surcharges
  - Even when they make a error the forwarder/customer pays
- BIFA :-
  - Is working in conjunction with CLECAT/FIATA
  - Written to DfT/CMA – on their radar due to political reasons





# Agenda item 6:-Insurance issues relative to EU Exit

The following comment sums up Member concerns:-

“The Government has told the country we need to trade on a world stage, but have failed to take note of the agreement small print enabling EU Freight agents to sell insurance products into the UK, but prohibits UK agents doing the same in the EU.

From speaking to our insurers they believe there are lot of agents incorrectly and unknowingly still selling insurance products to non UK domiciled customers. Apparently the punishments for this are severe”



# Agenda item 7:- Any other business

- None tabled to date

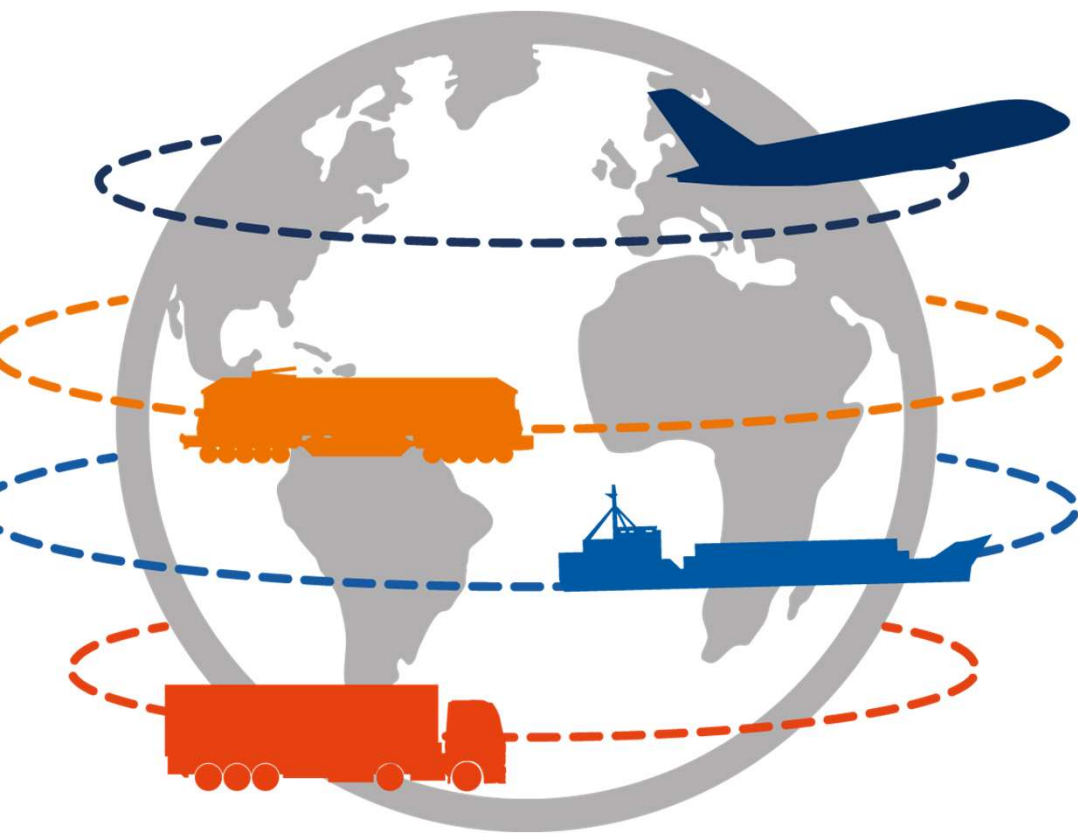


# Agenda item 10:- Date and time of the next meeting



- Provisionally on the 29<sup>th</sup> June 2022 –In Person





**Thank you  
for attending**