

IGLA - PAYMENT PROTECTION FUND





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GOAL

The main objective Payment Protection Fund (PPF) is to safe guard the interest of the members from bad debts by compensating for unpaid invoices in case of bankruptcy of a Member on the Network. This fund is to be shared between all participating Members,

SCOPE

Only Members in good standing of the IGLA adhered to the fund by the payment of the relative annual fund contribution can benefit from PPF.

The fund covers unpaid invoices due to bankruptcy of a Member of the Network under the conditions described in this regulation.

RESPONSABILITY

IGLA reminds all Members to conduct their business in a professional and efficient manner, implement their own risk management strategy and follow the guidelines framed in accordance with their agency agreement.

In order to benefit from the IGLA Protection Fund members must strictly adhere to all the Rules and Norms of IGLA network.

CLAUSES

1. Compensation

1. The total maximum compensation to be applied currently is USD 10,000 per year
2. The maximum compensation per defaulting Member currently is USD 3,000
3. The unpaid invoice date fixes the corresponding year of application.
4. The fund compensation covers debts for the non-payment of invoices due to bankruptcy of an IGLA MEMBER as long as all RULES & NORMS are fulfilled.
5. The fund compensation does not cover:
 - a. Unpaid debts due to disputes. It falls outside the scope of this fund to solve disputes or compensate parties for unresolved business dealings.
 - b. Unpaid debts due to operational errors, non-conformance services, lost or damaged cargo, damages to a third party.
 - c. Losses resulting from confiscation of goods by a governing authority or opposition forces or as a result of events beyond the reasonable control of the Parties, including but not limited to, "Acts of God" (flood, earthquake, fire, tornado, etc.), war, strikes, threats or acts of terrorism, force major or similar acts.
 - d. Any debt wherein the terms included in this regulation have not been fulfilled.

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2. Members Eligibility for Claims

1. Members must contribute a non-refundable annual contribution to PPF.
2. The annual contribution is currently fixed at USD 250 per Member/Company
3. In the case of Groups of Companies, each Company from the group contributes as an individual Company.
4. The Port/airport of departure (for exports) or arrival (for imports) determines the relative office entitled for compensation
5. All bank charges must be paid by the contributing Member

3. Members Obligations

1. Verify through the Members Directory on the IGLA website if the forwarding agency is a Member in good status of the Network (this means registered Company name and address and no warning Payment Alert icon is added to its profile), before consignment. For this purpose IGLA ensures that the Members Directory is kept updated.
2. Do not exceed 30 days credit from invoice date and 37 days from departure date (for exports) or arrival date (for imports). Both Members under their own responsibility can mutually agree other terms (out of the scope and coverage of the PPF).
3. Generate a Payment Alert in case your invoices have not been settled after the reporting alert term. The maximum reporting alert term is the 25th of the second month after invoice date.
4. Inform of any open transaction with a defaulting Member within the next 7 natural days (Monday to Sunday) following a Payment Alert notification from IGLA. Consigned services from a defaulting Member will not be covered by the protection fund if the date of departure or arrival of the shipment is after a Payment Alert notification against this one.

4. Eligibility of claims

1. Member in default must have been an IGLA-Member in good standing (at the registered Company name and address) on the date the debt was acquired.
2. No claims will be accepted for eligibility if the date of service (date of departure for exports or arrival for imports) is prior to the contribution to the fund or if the fund subscription has expired.
3. The Maximum coverage per transaction (this is a single shipment) is USD 3,000. Extending credit to another Member above this amount is out of the scope of the fund and should be considered to be insured with a professional insurance company at Members own decision
4. Claims will only be considered if the rules & norms are followed. The non-reporting of debts will make them ineligible and the overdue sum will cease to qualify for any compensation.

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5. Clamming and compensation process

1. Claims must be reported to IGLA by email (sales@igla.asia) not later than 60 days.
2. IGLA will require the claimant Member to provide invoices, statement of accounts, shipment documents (MAWB, HAWB, MB/L, HB/L), delivery receipts, other information and communications for evaluating the validity of the debt.
3. IGLA will inform the claimant if the claim is eligible for compensation and the eligible amount. IGLA's decision will be final.
4. The eligible amount of each claim is determined as follows:
 - a. Gross amount (exclusive of local taxes, currency exchange fluctuations, legal fees, VAT and interests)
 - b. All Freight or destination charges invoiced by the origin agent under EXW or FOB Incoterms are excluded from the eligible amount. This means that it is not covered to issue MB/L on Freight Prepaid basis when HB/L is on Freight Collect basis. This does not apply to Airfreight Shipments.
 - c. Any invoices/charges owed by the claimant Member to the defaulting Member will be deducted from the eligible amount
 - d. Any amount covered by other means, such as insurances, will be deducted from the eligible amount
 - e. The eligible amount is not the final compensation amount as this depends on the total of eligible claims received within the annual period.
5. During the first quarter of the year IGLA will evaluate all the eligible claims received for the previous year in order to distribute compensations proportionally to the maximum compensation per defaulting Member and always limited to the total annual maximum compensation.
6. In the unlikely case that the total eligible claims in a same year exceed the total maximum compensation established per year or the maximum compensation per defaulting Member, the amounts to be compensated will be accounted proportionally.
7. Effective compensation will take place during the first quarter of the year following the relative annual period.
8. Before disbursing IGLA will request a subrogation of the debt to the claimant Member in order to be assigned for any future recoveries of the debt.
9. Any payment received by the claimant from the defaulting Company after the filing of a claim must be informed to IGLA in order to disregard the compensation process.
10. Any payment received by the claimant from the defaulting Company after receiving the effective compensation amount from the fund must be returned proportionally to the fund.
11. It is not legal to proceed a claim to more than one Company for the same debt



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6. Legal Liability, Disclaimer

1. PPF is not an insurance policy.
2. IGLA Members recognize and understand that all transactions are undertaken at their own risk and discretion and that, under no circumstances, can IGLA be held responsible.
3. IGLA shall not be responsible for any damages or legal claims.
4. IGLA shall not be responsible for any debt, obligation or liability of a Member.
5. IGLA privacy policy, as posted on the website.