

Agent certification programme now in place

Scheme intended to assure shipowner clients of firms' quality and credibility, writes **Rajesh Joshi** in New York

A CERTIFICATION programme initiated for its US-based shipagent members by the Association of Ship Brokers and Agents is now fully in force, the association, based in New Jersey, has announced.

Twenty-eight individual agents were now "ASBA-certified" and could market themselves as such, the association's executive director Jeanne Cardona said. The figure represents a 30% decline from the 40 agent members estimated to be on the ASBA roster, out of a total membership of 130, when the programme was announced last year.

Six members resigned as they did not wish to go through certification and six were suspended because of non-compliance, Ms Cardona said.

Altogether, she estimated that the 28 certified members handled 39,000 ship calls in US ports annually, a shade over half the US Coast Guard total of 72,000 ship calls in all.

The certification process, which is mandatory for all agent members, is intended to assure existing and prospective shipowner clients of the quality and credibility of the firms in three areas — sound handling of principals' cash, adequacy of insurance coverage and competence of staff.

High-profile shipagent bankruptcies in the US over the past few years and cases where agents were alleged to have absconded with principals' cash motivated ASBA to implement the measure, said Scott Michael Jones, an ASBA director and chairman of its agency affairs committee.

Mr Jones is also president of General Steamship Agencies in Mill Valley, California.

"As agents we must take our accounting role seriously," Mr Jones said. "We are fiduciaries for the principals.

"Some firms may still work by the old system of verbal trust. But professionally run outfits have recognised the value of the certification process. We would not have implemented it if we did not see it creating business opportunities in the years ahead."

To qualify for certification all 28 agents had to subject their accounts to review by a certified public accountant by January 1 this year, with the



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CPA attesting to the procedures that document principal transactions, including proper segregation of funds.

Depending on the nature of the relationship with the CPA, this process is believed to have cost \$2,000 to \$5,000. The CPA report will have to be submitted each year for agents to retain their certification.

Agents also had to display liability coverage of at least \$1m per event and adequate automobile and workmen's compensation coverage.

In addition, agent employees

of certified members had until June 1 to pass a one-hour on-line examination that tested their industry knowledge. This test will not have to be repeated annually.

People can take their certificates to a new job they may seek in future, Ms Cardona said.

Almost 500 took the test and no one had to take more than two of the three chances allowed to pass, she added.

The ASBA initiative might not be replicated in other countries because of statutory

registration requirements for agents in some nations and other local factors, according to industry experts.

However, the Federation of National Associations of Ship Brokers and Agents in London, of which ASBA is a member, said it fully supported the US initiative.

J C Williams, Fonasba general manager, told Lloyd's List: "We support the use of reputable, financially sound agents that have qualified staff in all countries, no matter what formal certification may take."

ASBA AGENT MEMBERS

American Shipping and Chartering
 B&R Agencies - Charleston
 B&R Agencies - Miami
 Biehl & Co
 Blue Water Shipping Co
 Carolina Shipping Co
 Celtic International Shipping Agency
 General Steamship Agencies
 Inchcape Shipping Services
 Interport, International Port Services
 John S Connor
 Leeward Agency
 Lott Ship Agency
 Luis A. Ayala Colon Sucrs
 Mid-Gulf Shipping Co
 Moran Shipping Agencies
 Moran-Gulf Shipping Agencies.
 North American Shipping Agencies
 Norton Lilly International
 NSA Agencies
 Peabody & Lane
 Riley-Sherman Shipping Agency
 Ruggiero & Ogle Motorship Agency
 Savage Shipping Co
 T. Parker Host
 Transmarine Navigation Co
 Valls Shipping Co
 World Shipping