

# FIATA

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## ORGANISATION

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E only

**To** : **National Associations of FIATA**

**cc** : Extended Board of FIATA  
: Delegates of the Multimodal Transport Institute  
: Advisers to Working Groups Rail-, Road- and Sea Transport  
: Members of the Advisory Body Legal Matters

**From** : Kersten Ohl, Manager MTI, on behalf of the FIATA Presidency

**Subject** : **Prohibition of the issuance of FIATA Forwarders Certificates of Receipt (FCR) for steel shipments**

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Dear Sir or Madam,

Since two or three years FIATA has repeatedly been confronted with incidents, where a freight forwarder had issued a FIATA Forwarders Certificate of Receipt (FCR), without however disposing actually of the goods. The results of the investigations by the FIATA Secretariat have shown that a considerable percentage of these occurrences was based on fraudulent activities, mainly by the seller of the goods. In some instances freight forwarders not being member of a national freight forwarders association simply forged the FIATA FCR form. Without exception, the FCR cases were related exclusively to steel shipments of at least several hundred up to several ten thousands of metric tons. In all cases the buyers of the goods had relied on the FIATA FCR that was partly also stipulated in a letter of credit, were however not able to obtain the goods, although they had paid the purchase price in most instances.

As the number of incidents with FIATA FCRs has been increasing - in fact the Secretariat became aware on average of one fraudulent operation of this kind per month in the recent past - the FIATA Presidency had to decide to prohibit the issuance of FIATA FCRs for steel shipments to prevent further damage to the reputation of the FIATA FCR as reliable freight forwarder document. The decision was also taken with a view to the other FIATA documents, because once the confidence in of one FIATA document is shaken, it may radiate to the other FIATA documents as well.

For this reason you are herewith requested

- to instruct your members immediately that they are not allowed any more to issue FIATA Forwarders Certificates of Receipt for steel shipments.
- to obtain from your members a confirmation in writing that they will adhere to this instruction
- and to inform the banking community in your country about this restriction.

The development is regrettable, but the Presidency had no other choice in order to prevent that FIATA FCRs are continued to be abused for deceitful activities.

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