



## WORLD WIDE CLAIMS SERVICES

*Established in 2004*

*Licensed under Dubai Economic Dept.*

*Claims Consultancy*

**and**

*Claims Recovery*

*in respect of*

*Sea Carriage, Airfreight , Road Transport*

**and**

*Property claims*



- *"SOLUTION FOR ALL YOUR CLAIMS"* -

**WORLD WIDE CLAIMS SERVICES****SHIPPING FRAUD**

A Merchant in UAE entered into a contract with an Exporter for shipping their consignments of textiles from UAE to customers in India. Though a Contract was drawn up and signed by the Exporter, the Merchant did not sign them. Instead they merely acknowledged it by email.

The Exporter arranged the shipments in six containers through a shipping Line who issued their bills of lading. Freights were prepaid.

Meantime, the cheque issued by the Merchant to the Exporter bounced. Despite repeated reminders, the payment was not made by the Merchant.

Pending receipt of the payment, the Exporter did not release the original shipping documents to the Merchant. They also instructed the shipping Line to withhold the delivery of cargoes to the Consignees in India. However, the Line's Agent issued the delivery orders and released the cargoes to the consignees without the original documents. As result, the Exporter lost control of the cargoes in addition to not receiving payment for arranging the shipments.

The Exporter had taken ICC ( All Risks ) policy for these shipments. Though they notified the losses to the Insurance company, they were advised that these claims will not be covered.

The Exporter's Insurance Broker consulted **WWCS** for an opinion and assistance.

After reviewing all the documents, we opined that the Insurance company was within their rights in rejecting the claims. We pointed out that the cargo had arrived safely at the destination and was lost subsequently due to a fraud committed by the Line's Agent and the consignees. There was no marine peril involved. Besides, non payment of dues by the Merchant is a commercial dispute not covered under the policy.

We also explored the possibilities of recovering the losses directly from the liable parties.

***"Adjustments with Right people is always better than Arguments with Wrong people"***

..... Page 3



- "SOLUTION FOR ALL YOUR CLAIMS" -



We found out that the Merchant is not a well established company and did not have a good reputation either. Since they had not signed the Sales contracts, it would be an onerous task proving their liability in a court of law. We recommended that the Exporter consult their lawyers immediately to determine the chances of successfully suing the Merchant through the courts.

As for the loss of cargo in India, the Exporter was still holding the original shipping documents and hence had a valid claim against the Shipping Line for wrongful delivery of cargo.

*This was obviously a well planned fraud committed by the Merchant and their Buyers in India. The Exporter was not vigilant enough to safeguard their interests. They did not ensure that the Sales contracts are signed by the Merchant and they arranged the shipments before receiving payment. Letters of credit were not opened and no banking transactions were involved. Shippers should be more alert when dealing with unknown parties especially when transactions involving substantial sums are involved.*

\*\*\*\*\*

### **MASSTRANS FREIGHT LLC-DUBAI**

WWCS are Consultants to some Freight Forwarding companies. **Masstrans, Dubai** is one such client. Established in 2010, Masstrans is now one of the major companies operating in UAE. The company recently celebrated their 13<sup>th</sup> year at Dubai Marine Beach hotel. One of the high lights of the event was a presentation by Mr. R.M. Menon of WWCS on “**Risk Management in Logistics**”.





Mr. Menon being felicitated on the occasion



A view of the audience

*“Confidence may not bring success; But it gives us power to face any challenge in life.”*



- *“SOLUTION FOR ALL YOUR CLAIMS”* -



### NOMINEE Vs LEGAL HEIR

It is usual practice to nominate a person when taking a policy or when making an investment. The Nominee could be any one of your relatives or friends. The intention behind nomination may be to exclude certain persons and ensure that the Nominee is the only beneficiary after you pass away. The common perception is that such nominated person is entitled to receive and keep the money.

As per the Law, a Nominee is a Trustee and not the owner of the assets he receives as Nominee. In other words, his or her role is only in the form of a caretaker of your money/assets. The Nominee is expected to hold the proceeds in trust and transfer it to the Legal Heirs.

Legal Heir is the one mentioned in the Will. If there is no Will, then the Legal Heir is decided according to the succession laws. Nominee can also be one of the Legal Heirs.

The purpose of having a Nominee is to ensure that someone you trust will go through the legal formalities and ensure that your legal heirs are paid. If there is no Nominee, the Legal Heirs will have the burden of proving their title by going through the cumbersome formalities.

\*\*\*\*\*

### English language

English is the only language where -

- you drive in parkways and park in driveways.
- you recite in a play and play in a recital.
- your fingers have fingertips but your toes don't have toetips.  
yet you can tiptoe but not tip finger.
- the word Queue is just a Q followed by four silent letters.
- jail and prison are synonyms but jailor and prisoner are antonyms.



- "SOLUTION FOR ALL YOUR CLAIMS" -