



AIV Private Limited.

Shortages in Liquid Bulk Cargo:

The issue of liquid cargo shortages is a frequent occurrence in the region of Pakistan, with an estimated one in every three vessels facing a shortage claim. The majority of these claims are paper shortage claims.

In Pakistan, a tolerance allowance of 0.5% is set for fuel-related products. If the cargo discrepancy exceeds this limit, the customs authorities are authorized to impose a fine. As per the Central Board of Revenue (CBR) notification for Edible Oils, a tolerance limit of 0.25% serves as a benchmark. Any quantity that falls below this percentage would not result in claims, suits, or custom penalties.

If the percentage increases even by a single point, the total shortage is calculated and the claims reflect this total shortage, as determined at the shore storage tanks.

The trade allowance for Refined Deodorized Palm Oil, as per the case reported in CLC 2000, is set at 0.25%. This percentage has been upheld and adopted in some civil court orders, and may be taken into consideration by trial courts only when the shortage at the manifold falls within this precise limit and not beyond its boundaries.

Therefore, if the shortage for Edible Oils, specifically Refined Deodorized Palm Oil, exceeds the 0.25% limit, the customary defense regarding the shortage at the manifold would not be taken into account by the presiding officers. The final decision regarding the matter would then be made by the courts and if there are no other arguments supporting the defense, a judgment or decree against the defendant/carrier is likely.

We would like to advise you to have the surveyors present in order to prevent any intentional or accidental manipulations that may occur. It is recommended to have multiple surveyors representing different interests to ensure accuracy.

In several past assignments, we have observed that in the absence of P&I surveyors onboard, other surveyors may collude with the receivers and local agents. This proves to be harmful not only for the esteemed associations but also for their members, as they are subjected to intense pressure from the delaying tactics of these conspirators.

The presence of P&I surveyors during the ullaging process has a positive impact as it ensures that the ullages are taken accurately in accordance with established guidelines. P&I surveyors adhere to a standard operating procedure and have a thorough understanding of this procedure.

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