

PROPOSAL
IN ORDER TO REGULATE AND ENHANCE THE SERVICES AND SCOPE OF THE
INLAND CONTAINER DEPOT OPERATORS.

1. Background

- 1.1 Licensing of shipping agents freight forwarders, Non-Vessel operating common carriers, and container operators Act No.10 of 1972 has been amended several times and the container Depot Operators are to be regulated considering as a “service provider”.
- 1.2 This has led to an anomalous situation affecting the development of container depot operators and their infrastructure to cater to the needs of modern-day trade, shipping, and logistics requirements.
- 1.3 Shipping Lines and Container Leasing Companies invariably require a person to take charge of their containers once they are unloaded by the consignees and to be kept in safe custody in container depots till such time containers are been required by the shipping lines (vessel owners, vessels shipping agents charters and vessel operators) shipping agents, non-vessel operating common carriers, non-vessel operating common carriers agents, for the use of another shipping movement.
- 1.4 It's a misnomer to assume that regulations governing a licensed service provider, as provided for in the **shipping agent's Act** become applicable to container depot operators.
- 1.5 Therefore, it has become necessary to seek a new legislative instrument enacted by parliament covering exclusively **the role of container depot operators**.

2. Description and Justification

- 2.1 Container depot operators must be qualified and should be excluded from and within the scope of the previous regulations applicable to other license service providers, and the need to safeguard and enhance the future development of this trade in line with the current day development of the trade, shipping, and logistics sectors globally is essential.
- 2.2 Therefore, any regulations covering the hitherto shipping-related business have no relevance since this matter is an entirely a relationship confined to that of the shipping lines (Vessel owners, vessel charters, and vessel operators), non-vessel operating common carriers, container leasing companies, and their local storage provider for their containers.

- 2.3 The relationship is exclusive between the shipping lines (vessel owners, vessel charters, and vessel operators), shipping agents, non-vessel operating common carriers, non-vessel operating common carriers Agents, container leasing companies and their agents, and the container depot operators. It's a sine-co-non rule that the shipping lines (Vessel owners, vessel charters, and vessel operators), non-vessel operating common carrier Agents are a distinct and separate service.
- 2.4 Therefore, it should be a distinct recognition by law and an act to provide for their services to be determined by the provision of regulations to be made only to suit the limited purpose of the container depot operators serving the trade, shipping, and logistics sectors and regulations to be made by the minister in charge of the subject.

3. Recommendations

- 3.1 Introduce a new Act to regulate the role and the scope of services that are been provided by container depot operators.
- 3.2 Cite the Act as **"The Container Depot Operator's Services Act"**.
- 3.3 The preamble to the Act is to cite as "Container Depot Operators" are providing direct and exclusive services to the Shipping Lines (Vessel owners, Vessel Charters, and Vessel operators), Shipping Agents, Non-Vessel operating common Carriers, Non-Vessel Operating common carriers Agents, Container leasing companies and its Agents in handling, Storage, Repairs, De-stuffing, and stuffing of laden containers.
- 3.4 Define Container depot operator as "a person or company engaged in the business of container terminal, container depot, and container freight station operation in Sri Lanka and referred to as "Container Depot" for the purpose of the legislation".

4. Expected Approval

Having considered all of the above matters, in order to discharge the duties of the Ministry of Ports, Shipping, and Aviation efficiently and effectively, the approval of the Cabinet of Ministers is sought to;

- 4.1 Introduce a new Act to regulate the role and the scope of services that are been provided by Container Depot Operators.
- 4.2 To recognize the distinct by law and an act to provide for container depot operators services to be determined by the provision of regulations to be made only to suit the limited purposes of the container depot operators serving the trade, shipping, and logistics sectors and to stipulate the rates and charges that can be imposed by such operators to providing their service, in handling and storage of the containers.

To exclude the Inland Container Depot Operators from the licensing of Shipping Agents Act of No. 10 of 1972 and all provisions and regulations hither to made.

24th February 2023