



1st September 2022

Ref. No.: CLAP/2209/1

TO: CLA MEMBERS

Dear Sir/Madam,

CONDITIONAL PROTECTION FOR CONTAINER TOTAL LOSS

With reference to above subject matter,

2. We wish to express our gratitude and special thanks for the well acceptance and subscription to the Container Ledger Account (CLA) as endorsed by the Ministry of Transport (MOT), which is an alternative to the practice of container deposit collection.

3. Since its implementation in June 2019, a total of 52 CLA Principals representing Shipping lines / Shipping agents / NVOCCs and 2,107 CLA Members representing Importers / Consignees / Freight forwarders / Forwarding agents have subscribed to CLA at all major container terminals in Port Klang, Penang, Johor, Kuantan, Sabah and Sarawak.

4. We take a great pleasure to announce that effective 1st October 2022, CLA Members have to adhere in providing additional protection to cover for Container Total Loss in order to safeguard from risk exposure of container total loss.

5. In the event the CLA Members transferring the risk to Insurance provider, the policy shall cover Container Total Loss with minimum Limit of Liability of RM100,000 whilst on land transit after gate out from the designated ports in Malaysia including whilst storage/ unloading/ loading of the cargo at the Importers' premises in Malaysia until safe and empty return to designated container depots.

6. In the absence of Insurance coverage, CLA Members are subjected to Container Protection Coverage (CPC) in order to facilitate the Members with temporary protection.

We trust the synergy and commitment of all domestic logistics industry players to ensure the alternatives to container deposit is sustainable. For any query, please reach out to us via our eFeedback on CLA Portal, www.clap.my

Thank you in advance for your kind attention and cooperation in this endeavour.

Yours faithfully,

(MAHENDRARAJAH SELVARAJA)

Chief Executive Officer