



## Hanjin Bankruptcy Next Steps

In partnership with McGuire Woods, FDRA would advise shippers or consignees to take the following steps:

- Locate every container that is currently being shipped by a Hanjin vessel. Obtain the shipping documents and bills of lading. If the vessel is attached, advise your legal counsel so that claims can be made in the attachment proceeding and efforts can be made to secure the release of the cargo.
- Review cargo insurance and provide any notice required to preserve an insurance claim for cargo loss. Determine if any additional costs can be recovered under the insurance policy.
- Prepare and file claims in the Korean bankruptcy proceeding on or before October 4, 2016.
- Prepare to assert ownership claims if a creditor is attempting to attach containers and cargo.
- Review all transportation and freight payments. Be prepared to establish that freight was prepaid to avoid garnishment claims initiated by creditors.
- Review the company's supply chain. Spot rates have increased significantly since the Hanjin receivership. The seasonal increase in cargo will make it difficult to find timely alternatives for cargo that is being held in a foreign port.
- Identify unreasonable actions or charges and consider seeking judicial or regulatory relief. The Federal Maritime Commission has indicated that it will review Hanjin related complaints within its jurisdiction.
- Review pricing and adjust, if possible, to reflect the additional costs and delays that will result from the Hanjin receivership.
- Locate empty containers that can be used to transship cargo since vessel may not load Hanjin containers.
- All ports and transportation links are requiring cargo interests to pay for services normally provided by the vessel. Consequently, be prepared to pay additional costs per container.
- Review the status of the receivership with your risk managers and legal team on a regular basis. The matter is fluid and subject to change.