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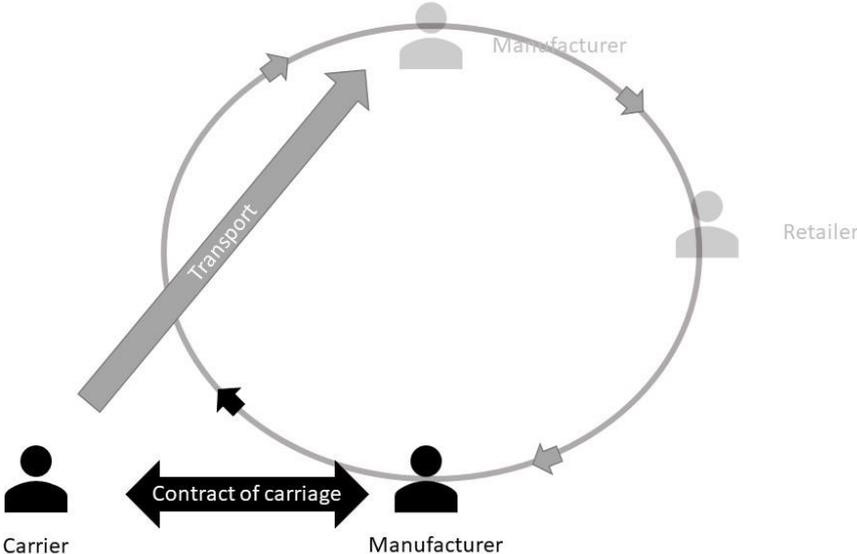
# Compensation for Shipment of Waste – not worth it?

Dr. Julia Hörnig / Dr. Martijn Schippers

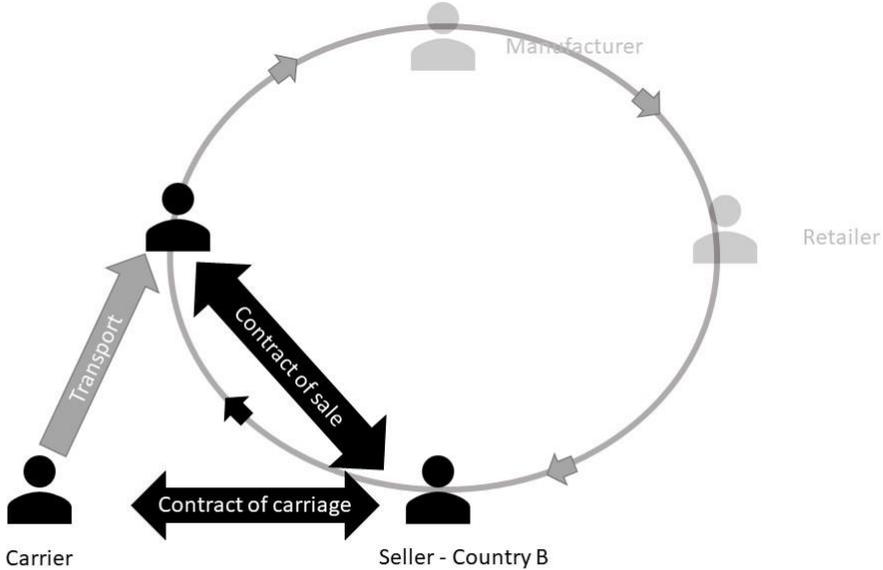
## Main Presumptions

- Circular supply chains require ensured material flows
- Compensation systems of Transport Conventions create incentives for careless shipment and even non-delivery
- Customs valuation methodologies can provide solutions

# I. Relevant Contracts



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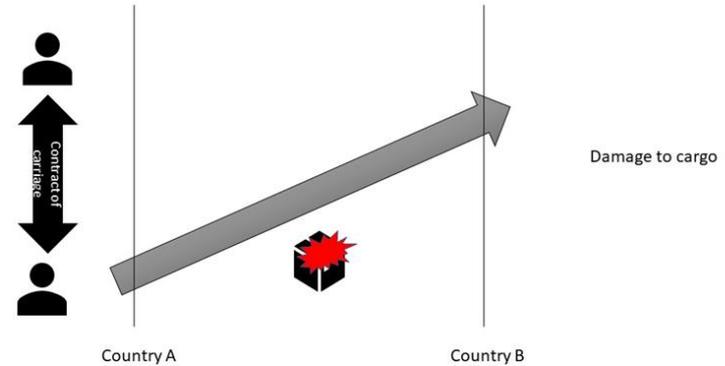
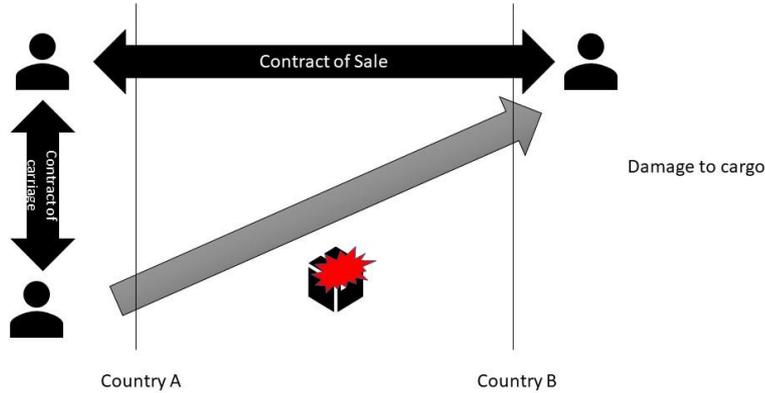
## II. Compensation systems under Transport Conventions

Conventions	Compensation			Type of value
	Preferred	Second-best	Fall-back option	
<b>HVR (sea)</b>	Commodity exchange price	Market price	Normal value	Delivery Value
<b>CMNI (inland waterway)</b>	Commodity exchange price	Market price	Normal value	Delivery Value
<b>CIM (rail)</b>	Commodity exchange price	Market price	Normal value	Pre-shipment Value
<b>CMR (road)</b>	Commodity exchange price	Market price	Normal value	Pre-shipment Value
<b>MC (air)</b>	No provision	N/A	N/A	Pre-shipment Value



Market price is also determined by customs duties

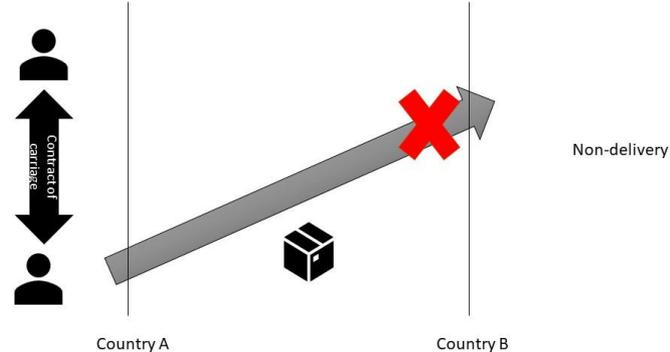
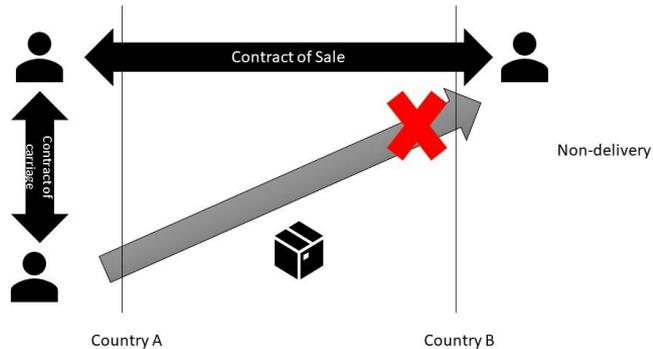
### III. Consequences in case of damaged cargo



- Existing contract of sale  
→ Indicative impact of invoice on compensation

- no contract of sale  
→ No indication → potentially no compensation

## IV. Consequences in case of non-delivery



- Existing contract of sale
- Indicative impact of invoice on compensation
- Repayment of freight charge?
  - Yes: Road, Rail
  - No: freight-prepaid clauses in Bill of Ladings

- no contract of sale
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## IV. Consequences in case of non-delivery

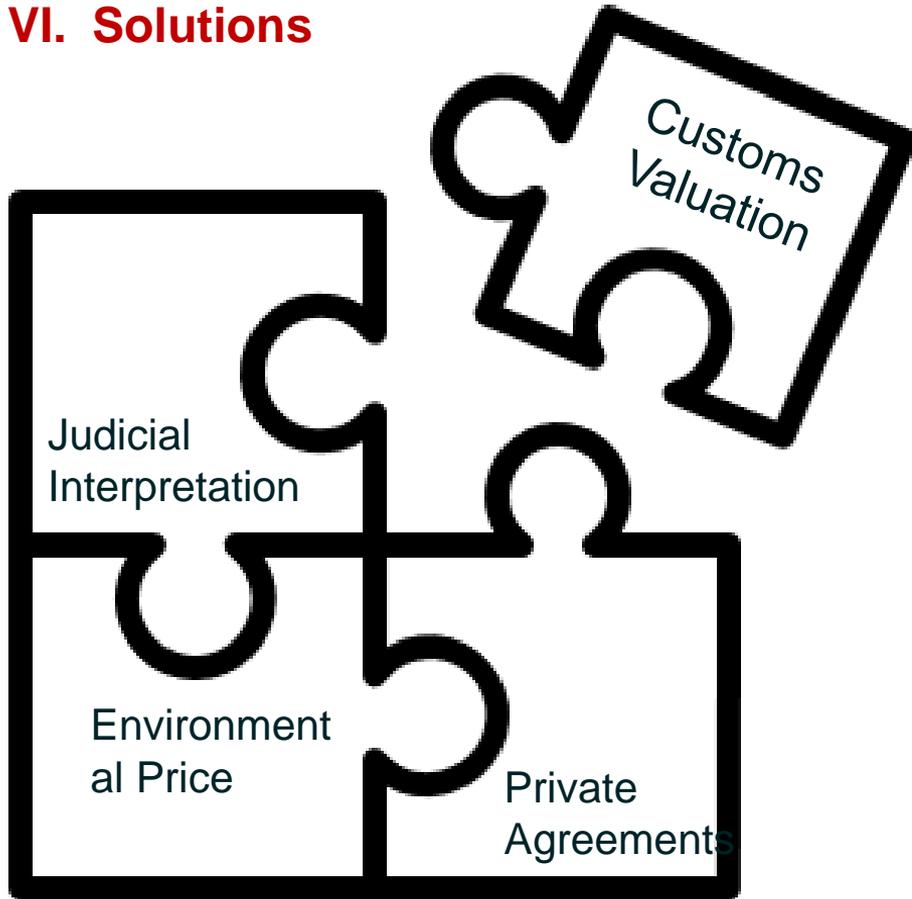
- Existing contract of sale
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→ Customs duties repayable or not chargeable

## V. Customs valuation methodologies

- Six methods, mandatory hierarchy. No special valuation regime for secondary waste or used materials.
- TV as primary and preferred method if there is a sale for export and the conditions for applying the TV are fulfilled.
- In case of alternative valuation methods, the intended use in the country of importation.
- A negative customs value is not possible and, except for goods intended to be neutralized/destroyed, have a value.
- Adjustments by the customs authorities are possible.

## VI. Solutions



# Thank you for your attention



**Dr. Julia Hörnig**  
[hornig@law.eur.nl](mailto:hornig@law.eur.nl)



**Dr. Martijn Schippers**  
[schippers@law.eur.nl](mailto:schippers@law.eur.nl)