

**Specification of Competency Standards**  
**for the Logistics Industry**  
**Unit of Competency**

Functional Area - Insurance, Legal Matters and Compliance

Title	Apply Alternate Dispute Resolution (ADR) to handle disputes
Code	LOCULC510B
Range	This unit of competency is applicable to sea freight, air freight, and express operators. Practitioners should be capable to apply ADR to handle business disputes when litigation is not the best option.
Level	5
Credit	9 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Differences between ADR and litigation, and the application criteria</p> <ul style="list-style-type: none"> <li>• Understand the differences between litigation and ADR in handling claims</li> <li>• Understand the practices of ADR, including conciliation, mediation and arbitration; their advantages and disadvantages</li> <li>• Master the criteria for applying ADR to handle disputes in sea freight and air freight, including the causes of disputes, the sum in dispute, the legislations of different countries, international conventions, contract terms, standard trading terms and the relationship with the customer in dispute</li> <li>• Understand the procedures of applying ADR to handle disputes in sea freight and air freight and the impact on recovering compensation</li> <li>• Know about the organisations which apply ADR to handle disputes, and their services</li> </ul> <p>2. Apply ADR to handle disputes in logistics industry</p> <ul style="list-style-type: none"> <li>• Liaise with relevant departments and learn about the causes of the disputes and assess the responsibilities of both parties</li> <li>• Assess the losses and the impact on the company as a result of the disputes</li> <li>• Liaise with relevant departments for further examination and select more cost-effective methods to handle disputes</li> <li>• Inform relevant departments of the progress of handling disputes</li> <li>• Contact the organisations which apply ADR to handle disputes for support</li> </ul>
Assessment Criteria	<p>The integrated outcome requirement of this unit of competency is:</p> <ul style="list-style-type: none"> <li>• Capable to apply ADR to handle business disputes effectively when litigation is not the best option.</li> </ul>
Remark	The functional area “Insurance and Legal Matters” was revised as “Insurance, Legal Matters and Compliance”. This UoC code was changed from LOCUIL504A to LOCULC510B