

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

Functional Area - Insurance, Legal Matters and Compliance

Title	Use arbitration to handle disputes
Code	LOCULC511B
Range	This unit of competency is applicable to sea freight, air freight, and express operators. Practitioners should be capable to use arbitration 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 arbitration and litigation, and the application criteria</p> <ul style="list-style-type: none"> <li>• Understand the definition of litigation and arbitration and their differences in handling claims</li> <li>• Master the criteria for using arbitration 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 using arbitration to handle disputes in sea freight and air freight</li> <li>• Have basic understanding of the conventions for international and local arbitration</li> </ul> <p>2. Use arbitration 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 relevant arbitration bodies or arbitration centres for support, including selection of arbitrators, and information on arbitration fees and relevant arbitration law and procedures</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 use arbitration 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 LOCUIL505A to LOCULC511B