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## Container loading: Is reference to “part cargoes” acceptable in a bill of lading?

Bills of lading for container loads usually include notes on the type of load: FCL (full container load) and LCL (less than full container load). These notes can be combined in various ways:

- **FCL/FCL:** The shipper packs the container and hands it over to the carrier, who takes responsibility for transporting the goods. The **consignee** unloads the **full container**.
- **FCL/LCL:** Also in that case, the shipper of the goods loads the container. However, the **carrier** is responsible for unloading at the port of destination. The carrier hands over the **individual part cargoes** to the respective recipients.
- **LCL/FCL:** In this case, the goods are delivered by the shipper to the carrier, who packs the goods - together with other loads - into the container, transports it to the port of destination and surrenders the **full container** with the **consignee** to be unloaded.
- **LCL/LCL:** The shipper brings the goods to the shipper, loading and transport proceed the same as for “LCL/FCL”. The **carrier** is responsible for unloading the container at the port of destination and then handing over the **individual part cargoes** to the respective consignee.

If a bill of lading contains the shipping note “FCL/FCL” or “LCL/FCL” and also includes a clause such as “one of two part cargoes in the container”, this document cannot be accepted. This bill of lading is contradictory: From the note “FCL”, which refers to the unloading procedure, the consignee expects the container (naturally containing all the goods) to be handed over by the carrier complete and unopened. However, the consolidation of the goods



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(“groupage”, “consolidated cargo”) with other part cargoes means that the container will need to be opened or repacked in the container yard before the consignee can be given his allocated cargo.

A further special case of container loading is dealt with by the International Chamber of Commerce, Paris, in its publication no. 681, “International Standard Banking Practice for the Examination of Documents under Documentary Credits” (2007 revision for UCP 600) under item 114:

If a bill of lading states that

- it covers goods packed in a **container**,
- **and** further bills of lading in addition to this bill of lading have also been issued,
- **and** this shipping document also contains a note stating that **all** bills of lading are to be presented,

then all bills of lading created for this container will need to be presented.

It will not be possible to release the container for unloading prior to this.

A bill of lading created in this way can only be accepted on presentation of all bills of lading issued for the relevant container linked to the same drawing under a letter of credit.

The fact alone that the bill of lading evidences consolidation of different part cargoes in a single container is, however, not in itself a reason to reject documents.

The Cash Management & International Business specialists at Commerzbank will be happy to provide further information on this topic.

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