



Development of the Common Standard Curricula on International Transport and Logistics Basic Training for ASEAN Member States under Sustainable Human Resource Development in Logistics Services



CHAPTER 6 : Shipping Document

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Learning Objective

After completion of this training, you should understand the following :

- Type of B/L
- Details and content of Bill of lading
- Relationship to liability of each type of B/L



Bill Of Lading

✓ *Definition :*

It is the main document used in international maritime transport, establishes the terms of contract between shipper and a transportation company, and serves as a document of title, a contract of carriage and a receipt, it can also be used for combined transport or port-to-port shipment.

✓ *Essentially are :*

1. Proof of shipment
2. Evidence of contract of carriage
3. State of ownership of the goods



Types of Bill of Lading

- Combined Transport B/L

This responsibility extends from the point of taking charge of the goods at the place of receipt up until the time of delivery at the destination, regardless the mode of transport (ship, rail, truck) and whether or not any part of the transport has been sub-contracted to a third party.

- Multimodal B/L

A shipper will request certain amendments and/or new clauses to the carrier's Combined Transport B/L, to obtain an ICC Multimodal B/L.

- Port-to-Port B/L

Due to letter of credit (L/C) restrictions on port-to-port shipments, shippers may request a Port-to-Port B/L (Ocean B/L, Marine B/L) instead of a Combined Transport B/L.

- Memo B/L – a second carrier

If the principal carrier then subcontracts to the ocean transportation of this cargo to another line, then this second line must in turn issue a Memo B/L back to the principal carrier.

Types of Bill of Lading

- Shipped on Board B/L

A shipped on Board B/L evidences the date on which the cargo is loaded onto the ship. The date on the B/L must correspond with the date of loading of the cargo; it must not be dated earlier or later. The date of issuance is deemed to be the loading date. Otherwise, the B/L has been permitted, it must not be dated before the goods are in the carrier's custody.

- Received for Shipment B/L

The carrier's B/L is an "onboard" B/L. Received for Shipment B/Ls or endorsements must not be issued without written approval from the carrier.

- Multiple/Split B/Ls – Part of B/Ls (FCL/FCL or FCL/LCL)

If there are several separate sets of cargo in one container, each set of cargo must have its own B/L. The full series of B/Ls that covers all cargo in the container is known as multiple B/Ls. They can be straight B/Ls (as described above) or "to order" B/Ls.

- Switch B/L

The shipper, consignee or third party, who are the lawful holders of a duly endorsed original B/L, will surrender a full set of original B/Ls to an agent (not necessarily a load or discharge port agenda) and request a "switch" or replacement B/L.

Multimodal Transport Bill Of Lading

✓ Purpose

The MTBL is a through document for Multimodal transport for the use of international freight forwarders acting as combined transport or intermodal transport operators.

✓ Forwarder's responsibility

The forwarder assumes responsibility not only for the performance of the transport contract and delivery of the goods at the destination, but also for the acts and omissions of the carrier and other third parties engaged by him.



Seaway Bill

✓ **Essentially is :**

replacement of the traditional ocean bill of lading, being non-negotiable document and made out to a named consignee who is allowed, upon production of proper identification, to claim the goods without presenting the waybill

✓ **Having advantages of :**

1. Enabling named consignee, by producing proper identification, to claim the good without presenting the waybill.
2. Being suitable as in-house documentation where no financial risk is involved or shipments between companies within the same multinational organization
3. Equally suitable for open account trading where there is complete confidence between the parties and a documentary credit or banking intermediary is not necessary in the transaction

Seaway Bill

✓ Consideration :

- ❑ SWB is non-negotiable, therefore can not be issued “TO ORDER” or “TO ORDER OF”
- ❑ The shipper’s signature is required on the SWB for endorsement of the transport agreement, so that he cannot later refute the document.
- ❑ The lawful consignee has to be clearly identified, so that the carrier knows when a consignee becomes the lawful owner of the goods.

- This can be an identity card, if the consignee is an individual, or a letter of authorisation, if the Consignee is collecting the goods on behalf of the company.
- The presentation of an SWB is not proof of identification
 - *The carrier’s SWBs refer to the conditions printed on the back of the carrier’s B/L, which include limitations on the carrier’s liability under the Hague-Visby Rules.*

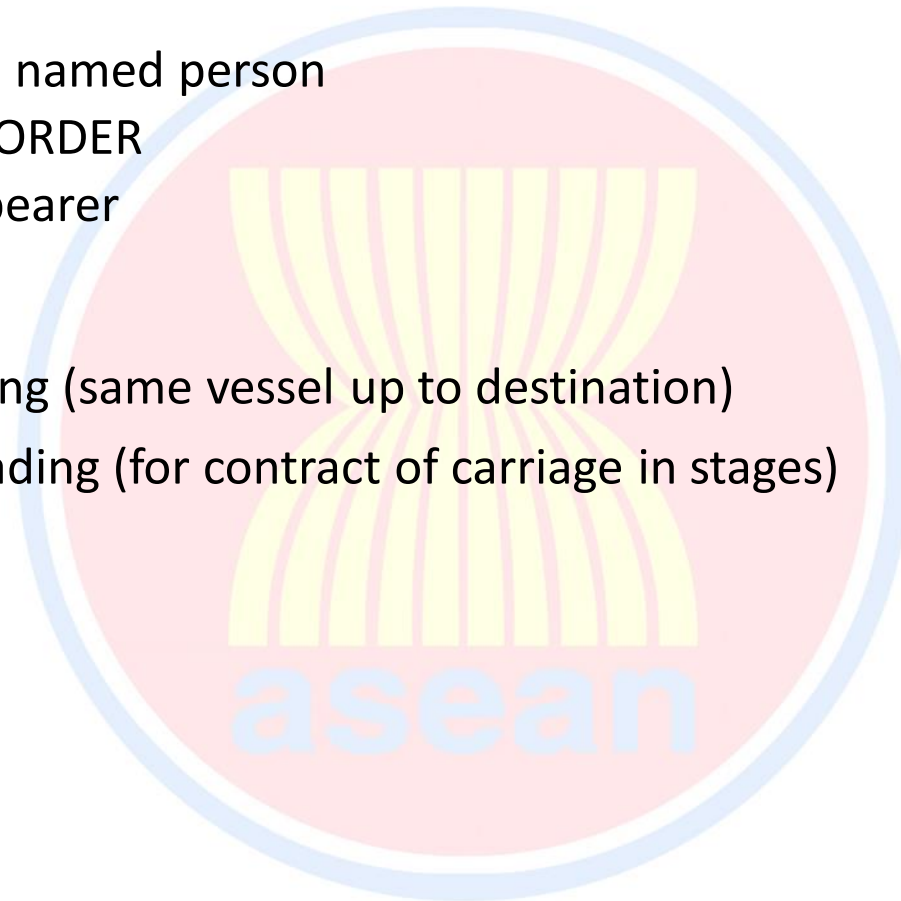
Clasifications by other consideration :

1. According to Beneficiary

- Bill of Lading to a named person
- Bill of Lading TO ORDER
- Bill of Lading to bearer

2. According to the voyage

- Direct Bill of Lading (same vessel up to destination)
- Through Bill of Lading (for contract of carriage in stages)



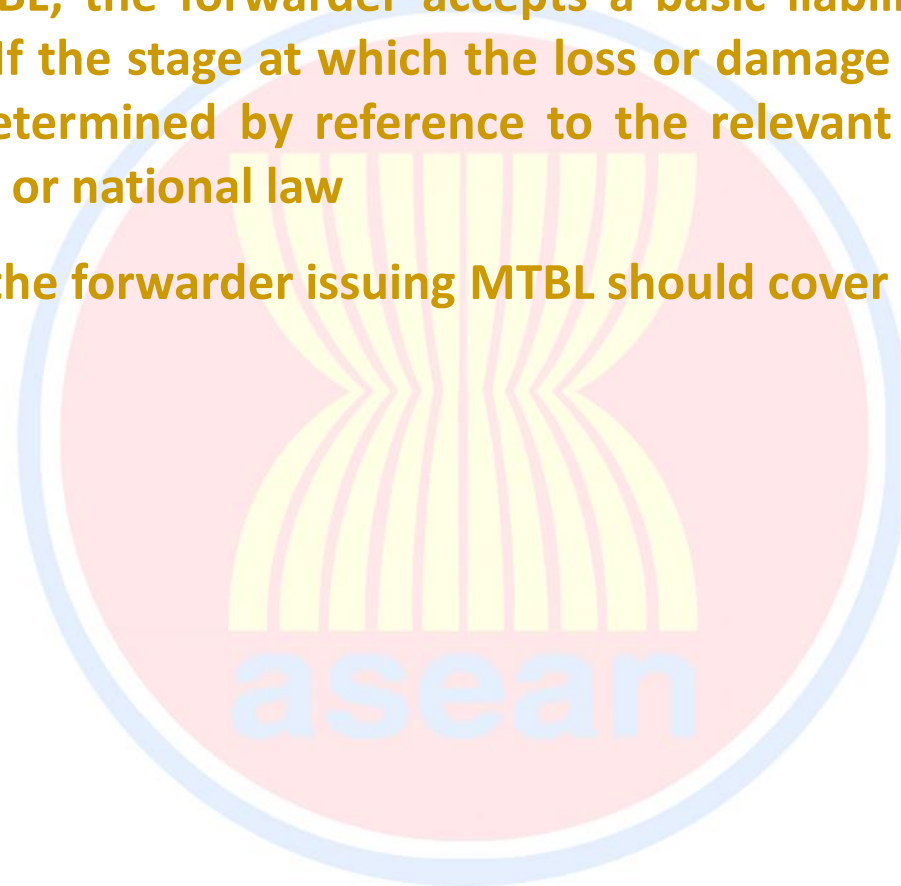
Remarks on Bill Of Lading

- ✓ It is negotiable unless marked non-negotiable.
- ✓ It is accepted by banks for purposes of documentary credit
- ✓ It can also be used as a marine bill of lading
- ✓ **When issuing MTBL, the forwarder should ensure that :**
 - *He or his agent has taken over the consignment specified and that the right of disposal of the goods is vested solely in him.*
 - *The goods are apparently in good order or condition*
 - *The details on the document correspond to the instructions he has received.*
 - *The responsibility for the insurance of the consignment has been agreed upon; and*
 - *It is clearly specified whether originals are issued.*



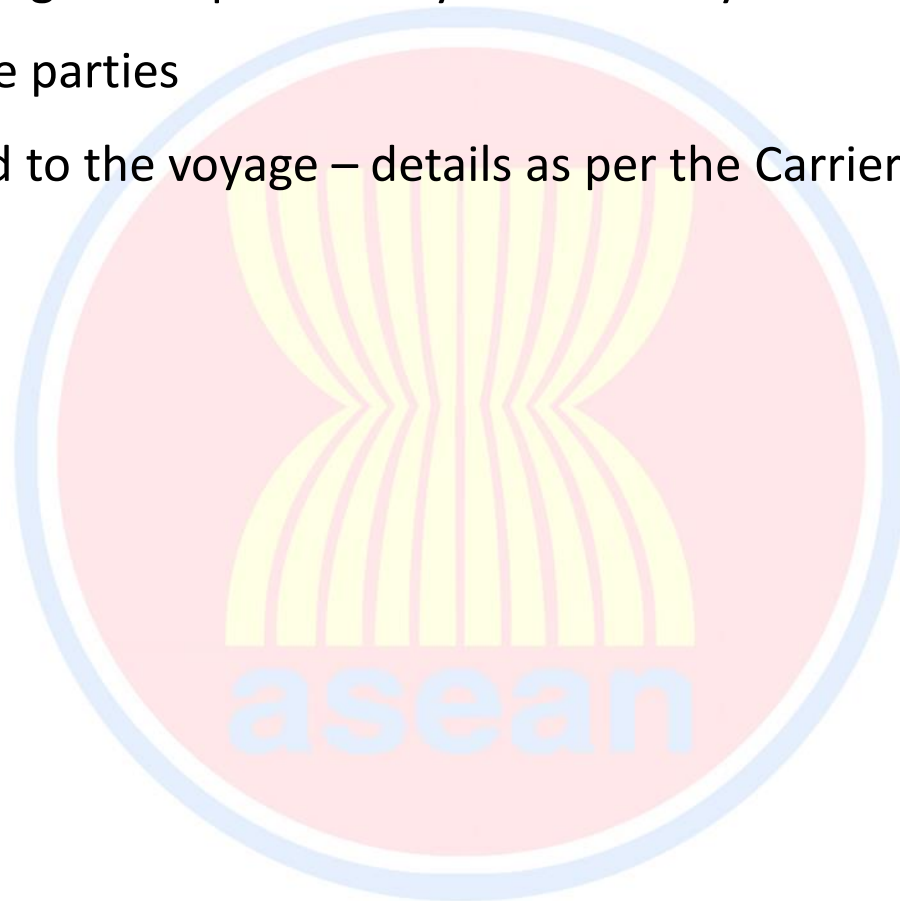
Remarks on original Bill Of Lading

- ✓ In issuing the FIATA MTBL, the forwarder accepts a basic liability of 2 SDRs per kilo of the goods lost or damaged. If the stage at which the loss or damage occurred could be identified, his liability would be determined by reference to the relevant provisions of the applicable international convention or national law
- ✓ It is most desirable that the forwarder issuing MTBL should cover his liability by insurance



Contents of the B/Ls

1. Information related to the goods – particularly furnished by the Shipper
2. Information related to the parties
3. Other information related to the voyage – details as per the Carrier



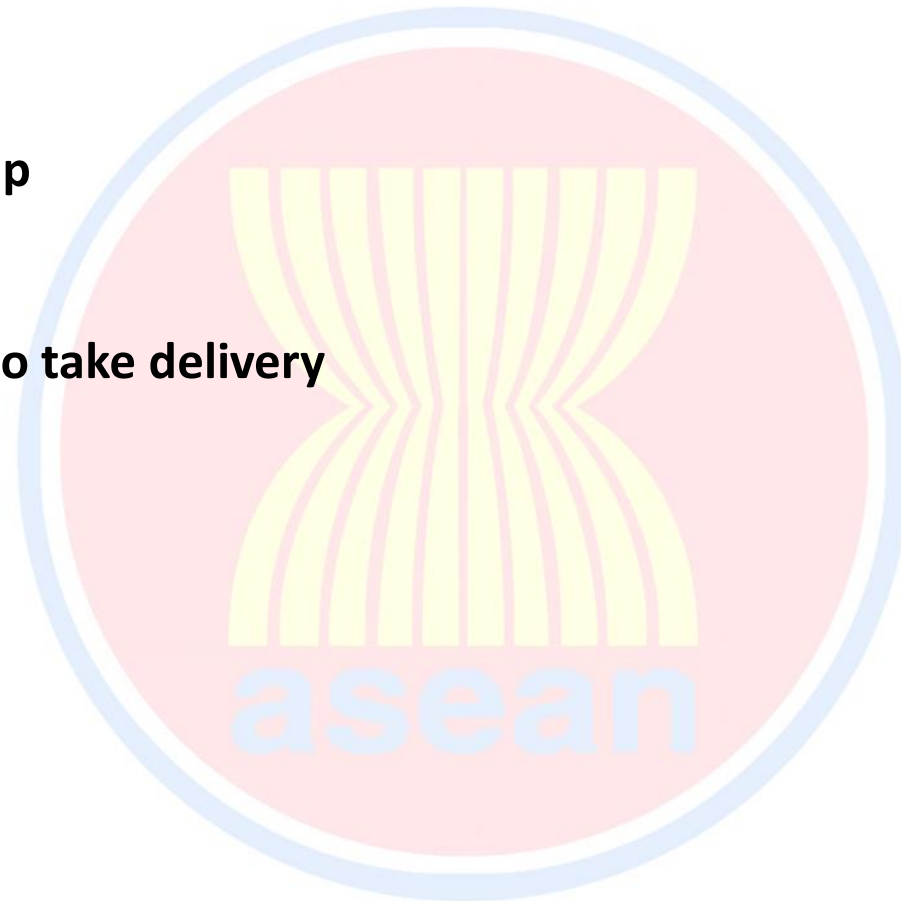
Defaults B/L Clauses

- ✓ **“Said to contain” and “Shipper’s load, stow, and count”**
- ✓ **No cargo samples – for Perishables**
- ✓ **Seaworthiness**
- ✓ **Goods in transit**
- ✓ **No transshipment**



Standard B/L Clauses

- ✓ **Changing standard BL terms**
- ✓ **Below deck stowage**
- ✓ **Carrier's right to tranship**
- ✓ **Delayed cargo arrival**
- ✓ **Consignee's obligation to take delivery**
- ✓ **Carrier's lien on cargo**
- ✓ **Detention clause**



Important : Ad Valorem (Cargo Value on B/Ls)

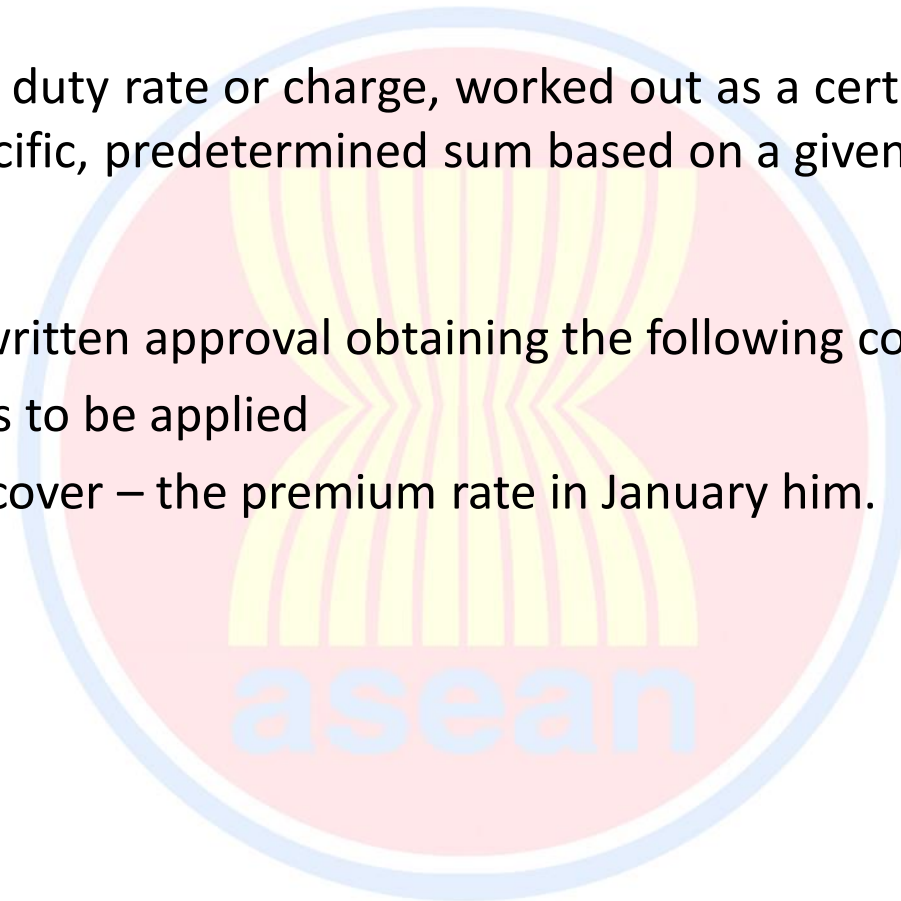
✓ Definition

“According to value”, is a duty rate or charge, worked out as a certain percentage of the value of the goods. It is not a specific, predetermined sum based on a given quantity.

✓ Application

It is subject to Carrier's written approval obtaining the following condition :

- Ad Valorem freight is to be applied
- Separate insurance cover – the premium rate in January him.



Important : “Clean on-board” B/Ls

✓ Definition

- If the cargo was found to be in good and “clean” condition, the bill of lading will be clausured “CLEAN ON BOARD”.. If the cargo was damaged in anyway or rusted etc, the Mates Receipt would be clausured to show the condition of the cargo upon receipt and the bill of lading will not be clausured Clean On Board.

✓ Application

- In the case of containerised cargoes and specially FCL cargoes, the carrier/agents are not privy to the packing of the containers and the nature of the cargo as the packing is done by the client on their premises and the carrier/agents is not present at the time of packing.. The carrier relies on the information provided by the shipper in terms of the cargo, number of packages, weight and measurement..
- Therefore, the carriers do not allow the clause “Clean on Board” on the bill of lading as they don’t know the condition of the cargo in the container and will not accept liability for the same..
- The carrier puts the clauses “**SHIPPER'S LOAD STOW AND COUNT**” (SLAC) and “**SAID TO CONTAIN**” (STC) on the bill of lading to protect themselves from any claims that the shipper might levy on them at a later stage, based on the above facts.

Important : Duplicate/2nd set of original B/L

If a consignor requests a duplicate set of B/Ls from the agent, and alleges that the original set has been misplaced or lost, then it can only be issued against :

- A 1st class bank guarantee provided by the consignor, for 150% of the CIF value and valid for 2 years, or until the original B/L has been found
- A Letter of indemnity jointly signed by the consignor and the bank involved.

When issuing a duplicate/second set of B/Ls, the agent must immediately instruct the agent at the discharge port that he is to release the cargo only against on original B/L from the second set. Each original B/L of the second set must also be claused :

“This is the second set.

The first set of the Bill of Lading number (X) is to be considered null and void”

8 Points to consider before you sign a Bill of Lading.

- ✓ Use the correct stationery
- ✓ Verify the address details
- ✓ Verify the cargo particulars
- ✓ Ensure cargo is received for shipment or shipped on board
- ✓ Check the protective clauses
- ✓ Non-inclusion of commercial terms
- ✓ Bills of lading originals must be issued in the right numbers and marked appropriately
- ✓ Ensure monies have been received



FIATA'S Documents

FIATA has created several documents and forms to establish a uniform standard for use by freight forwarders worldwide.

- FIATA FCR (Forwarders Certificate of Receipt)
- FIATA FCT (Forwarders Certificate of Transport)
- FWR (FIATA Warehouse Receipt)
- FBL (negotiable FIATA Multimodal Transport Bill of Lading)
- FWB (non-negotiable FIATA Multimodal Transport Waybill)
- FIATA SDT (Shippers Declaration for the Transport of Dangerous Goods)
- FIATA SIC (Shippers Intermodal Weight Certificate)
- FFI (FIATA Forwarding Instructions)



Any Questions ?



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