The background of the slide is a photograph of a busy port. In the foreground, there are numerous colorful shipping containers (red, blue, yellow, green) stacked in neat rows. In the background, several large cargo ships are visible on the blue water under a clear sky. The text 'BILLS OF LADING FOR DUMMIES' is overlaid in large white letters on the left side of the image.

# BILLS OF LADING FOR DUMMIES

M. Jagannath

NAU Pte Ltd  
[www.nau.com.sg](http://www.nau.com.sg)

# BILLS OF LADING



FUNCTIONS



ROLE IN THE  
INTERNATIONAL SALE  
CONTRACT



COMMON  
CLAUSES

## RECEIPT



- Quantity & Identity of Goods
  - Reference to the condition of goods (apparent good order & condition)
-

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## DOCUMENT OF TITLE



- Key to warehouse
  - Duty of carrier to deliver against presentation of Bs/L
  - NB: Physical possession does not constitute the holder as a lawful holder – there must be a valid endorsement (*Keppel v Bandung (2003)*)
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## EVIDENCE OF CONTRACT OF CARRIAGE



- Between charterers and ship owner, it is a 'mere receipt' (*Rodocanchi v Milburn (1886)*)
- More than a receipt between the endorsee and owners, it contains the contract between them (*Leduc v Ward (1888)*)

# ROLE IN THE INT'L TRADE

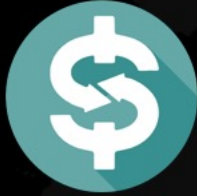


CENTRAL DOCUMENT IN  
THE TRADE TRANSACTION

# ROLE IN THE INT'L TRADE



CENTRAL DOCUMENT IN  
THE TRADE TRANSACTION

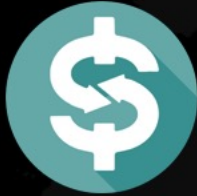


SALES DONE  
ON DOCUMENTS

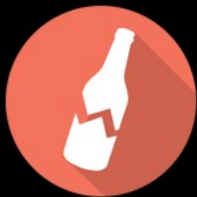
# ROLE IN THE INT'L TRADE



CENTRAL DOCUMENT IN  
THE TRADE TRANSACTION



SALES DONE  
ON DOCUMENTS



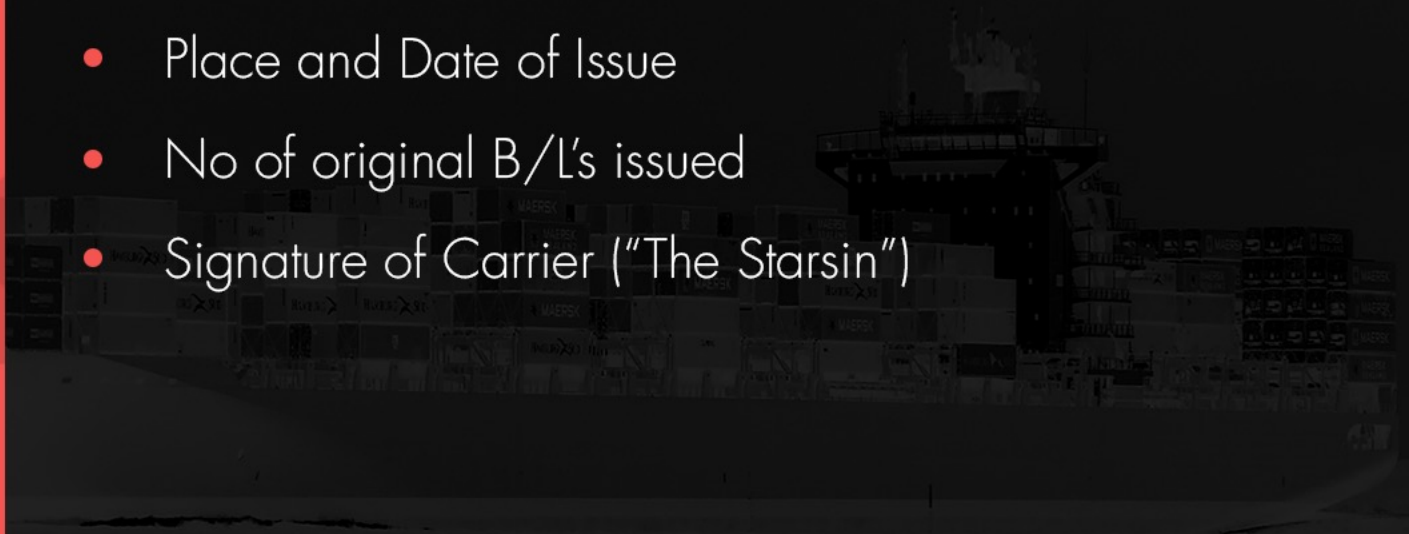
CARRIER ON ATTACK IF CARGO  
MISDELIVERED OR DELIVERS  
DAMAGED GOODS



# L/C TRANSACTION



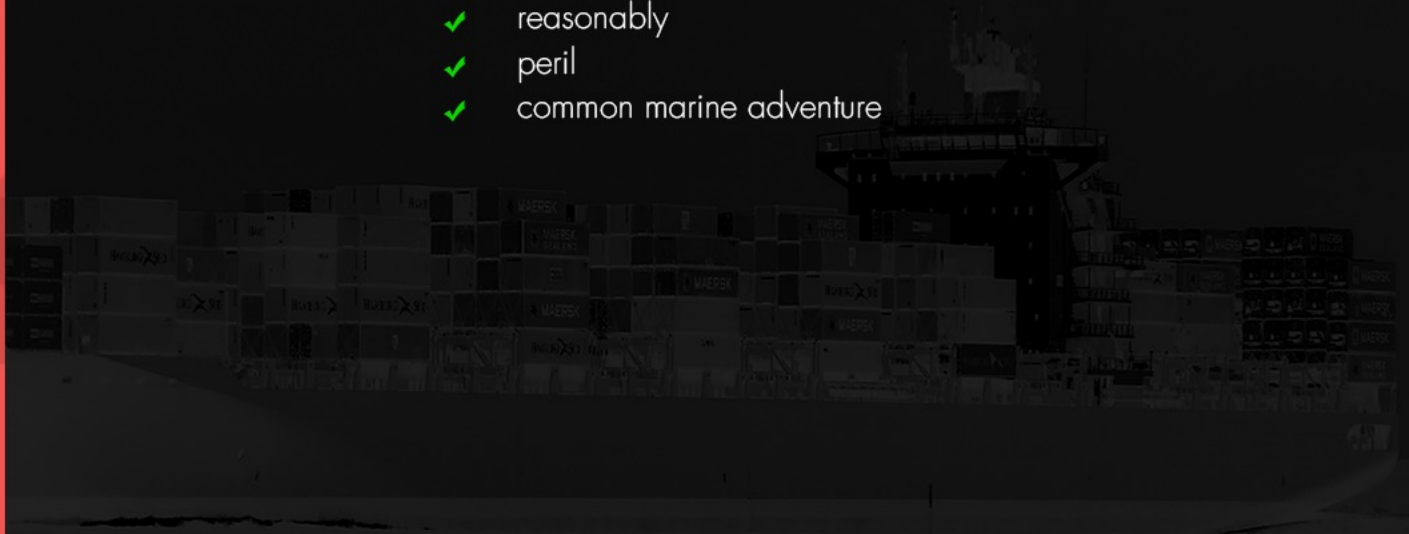
- Shipper/Consignee/Notify party
  - Straight B/L
  - Negotiable B/L
- Port of Loading / Port of Discharge
- Description of Goods
- Freight – generally left blank
- Attestation Clause
- Shipped on Board
- Place and Date of Issue
- No of original B/L's issued
- Signature of Carrier ("The Starsin")



- 6 clauses in Congen 2016
- 18 +.... Clauses in various liner / multimodal / CTD
- Focus on the Congen B/L
  - Incorporation of the C/P Law, Jurisdiction & Arbitration Clause – not present in Liner B/L's – (see cl 4 - Law & Jurisdiction Clause in Conline B/L)
  - General Paramount Clause – Incorporation of the Hague or Hague Visby Rules as may be compulsorily applicable in the port of loading and in the absences of, as compulsorily applicable in the port of discharge. If no compulsorily Hague & Hague Visby Rules applicable, then application of the Hague Visby Rules by contractual incorporation
    - Changes the common law position from absolute obligation to one of exercising due diligence at the beginning of the voyage (see The Amstelslot)
    - Entitles Carriers to Exclude and Limit liability
    - Provides for responsibilities to the Shipper
    - Responsibilities of the Shipper

→ General Average – No convention in force. If a GA clause is not incorporated, then GA would be adjusted basis the law of the place where the adventure ends (see cl 12 of the Conline B/L)

- Rule A of the York Antwerp Rules
- There is a general average act when, and only when, any extraordinary sacrifice or expenditure is intentionally and reasonably made or incurred for the common safety for the purpose of preserving from peril the property involved in a common marine adventure.
- 5 points
  - ✓ extraordinary sacrifice or expenditure
  - ✓ intentionally
  - ✓ reasonably
  - ✓ peril
  - ✓ common marine adventure



## → New Jason Clause

- The Irrawady – US Courts held that Owners not entitled to claim for GA on the basis of The Harter Act
- Development & Incorporation of Negligence clause allowing Owners to claim for GA irrespective of their fault.
- Tested in The Jason and hence this clause named accordingly
- Clause widened – New Jason Clause

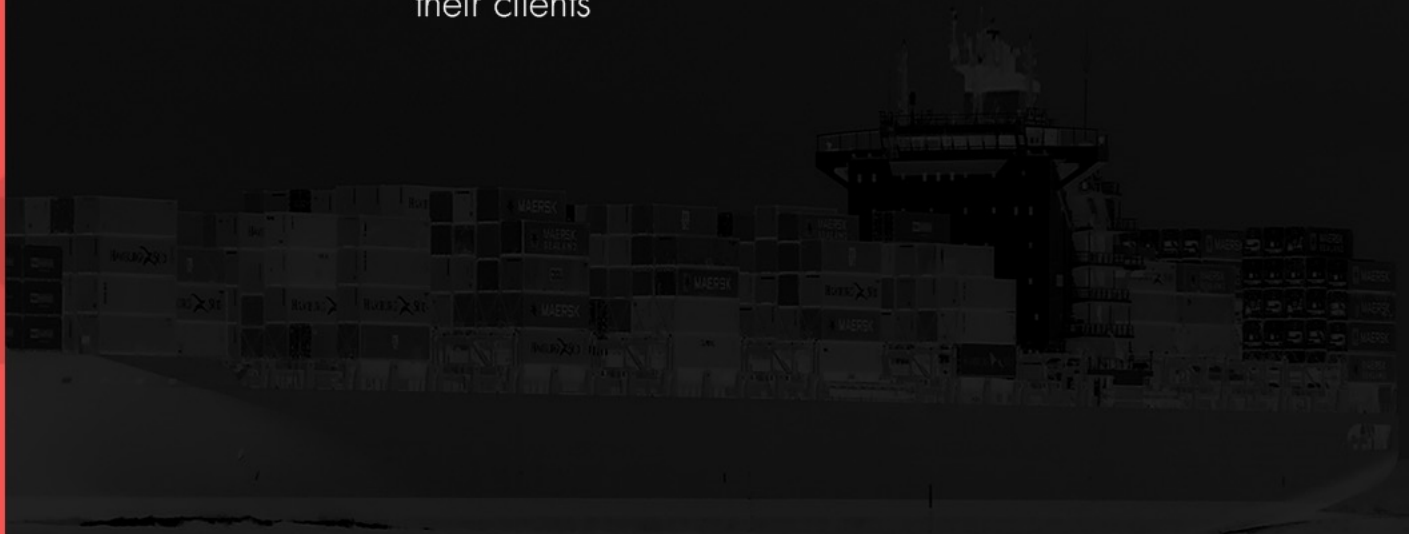
## → Both to Blame Clause (see cl 13 of Conline B/L)

- Why? Milan Rule:
- Cargo is identified with its carrying ship and therefore in a collision is entitled to a contribution from the carrying (who would generally be entitled to exclude liability) and opponent vessel according to the vessel's degree of blame
- US Law does not follow this Rule but treats cargo in the same way as a passenger or other person carried in a ship at fault under English Law i.e. as an innocent party unaffected by such fault



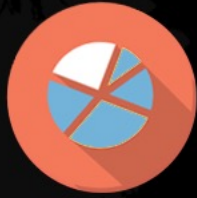
## → Himalaya Clause

- The Hague Visby Rules has a Himalaya Clause but this is restricted to servants or agents (Art IV bis)
- "If such an action is brought against a servant or agent of the carrier (such servant or agent not being an independent contractor), such servant or agent shall be entitled to avail himself of the defences and limits of liability which the carrier is entitled to invoke under these Rules"
- The Himalaya Clause is meant to protect the interests of independent 3rd parties such as terminals, contractors who may be engaged by the Carrier. Invariably, terminals and contractors seek confirmation from carriers that they are entitled to the benefit of the contract between the carrier and their clients



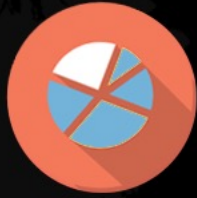
- Other salient clauses (based on “Online Bill 2000”)
  - Freight clause (cl 10) : “Earned on loading” – changes the common law position that freight is only due on delivery
  - Lien clause (cl 11) – Under common law, Carrier only entitled to hold lien of the cargo for unpaid freight and for GA contributions. This clause allows the carrier to hold lien for other charges accrued under the contract
  - Return of containers (cl 18(a) & (b))
    - Repair charges for extra-ordinary damages
    - Demurrage & Detention





Exclusions – Art 4(2) a-q (including the fault in the management of the ship)

Provided Art 3(1) & Art 4(1) are fulfilled by the Carrier



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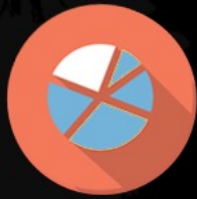
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## Limitations

Hague at GBP 100/package – Art 4(5) (see The Rosa – Value of Gold!)

Hague Visby at SDR 2/Kg and SDR 666.67 per package – whichever is higher – Art 4(5)(a)



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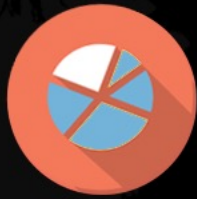


## Time bar Art 3(6)

Art 3(6) provides for 1 year for both Hague & Hague Visby Rules

Art 3(6)bis only in Hague Visby – Indemnity action additional 3 months





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## Policeman Clause – Art 3(8)

Any clause reducing ... is null & void and of no effect



- Three Functions
- Acts as carriers “Standard Trading Conditions”
- Key to the goods – important in the trade transaction
- Review of the various important clauses
- Any Questions?





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