



THE
PROFESSIONAL
INSURER

ITIC Guidelines for Export Cargo

Booking Cargo

Many disputes arise because of misunderstandings over what has been agreed on the telephone. Therefore:

CONFIRM TELEPHONE BOOKINGS IN WRITING - Many cargo bookings are made on the telephone. It is important that you send a WRITTEN confirmation of every booking to the shipper or forwarder. Failure to put bookings in writing is the cause of many mistakes (for example the misdirection of cargo for San Diego to Santiago).

IF THE CUSTOMER PUTS HIS VERSION IN WRITING FIRST AND YOU DO NOT AGREE – SAY SO – IN WRITING

IF IN DOUBT – CHECK IT OUT - If any part of the booking is ambiguous or unclear, do not guess what it means. Reply IN WRITING to the party who has sent you the ambiguous booking and ask them to clarify.

CHECK FREIGHT RATES AND TARIFFS – If you quote the wrong freight rate and a loss is caused to your principal you will probably have to pay the difference. Always double check that the correct freight rate has been charged.

CHECK THE PORT CODE - You must ensure that the port code is input correctly into the shipping line's computer system. If you get one letter wrong the cargo could end up thousands of miles from where it should be.

CHECK AGENCY MANUAL FOR PROHIBITED CARGOES – Principals often notify their agents (either in the agency manual or by means of circulars) that certain cargoes are not to be booked. Usually the principal comes to this decision following an expensive experience with the cargo in question. You must ensure that all concerned with booking cargoes are aware of any cargoes which are prohibited.

CHECK REEFER INSTRUCTIONS - Damage to refrigerated cargo is one of the most frequent causes of claims against ship agents. Ninety percent of the claims result from incidents when the cargo is ashore, either because the agent fails to arrange to have the container plugged in or fails to include the container on the reefer list supplied to the port or terminal.

CHECK SPECIAL INSTRUCTIONS - Frequently missed instructions include the ventilation of cargo or where cargo should be stowed (eg. away from the heat of the engines or under deck). Care must be taken not only to notify the right parties at your own port, but also to ensure that other ports where the cargo may be transhipped are aware of the special requirements. Usually this is done by placing the special carrying instructions on the line's computer system.

CHECK THE FREIGHT CLAUSE IS CORRECT - If the b/l contains the notation "freight prepaid" the carrier cannot lien the cargo even if the freight has not been paid. If shippers or forwarders request "freight prepaid" bills of lading before freight has been paid, you should refer such requests to your principal.



Issuing Bills of Lading

DO NOT:

ISSUE BILLS OF LADING CONTAINING INFORMATION WHICH YOU KNOW IS INCORRECT - (such as the wrong date). If you issue a b/l you know is incorrect it is **FRAUD**. Many ship agents are put under pressure by shippers to issue bs/l bearing an incorrect date or description of the quality, quantity or condition of the cargo. The shipper may give any number of reasons why this is necessary. **DO NOT** accept ANY justification. The issuance of such a b/l is unlawful.

INCLUDE CARGO PRICE IN DESCRIPTION - This could be taken by a court to be a declaration of value on the part of the ocean carrier.

CLAUSE THE BILL OF LADING "CLEAN ON BOARD" - when you are dealing with a container which is "shipper's load stow and count". In some countries the carrier will be deemed to have certified that the cargo was loaded into the container without damage. A "clean" b/l, as required in Letters of Credit, is an unclaused b/l.

FORGET TO INCLUDE SPECIAL CLAUSES FOR DIFFERENT PORTS – Failure to include in the b/l a clause which provides for additional charges (such as "thc" or "free out") to be collected from the receiver, may mean that in certain ports they cannot legally be collected.

ISSUE SWITCH OR DUPLICATE BILLS OF LADING WITHOUT THE AUTHORITY OF YOUR PRINCIPAL AND THE SHIPOWNER (IF HE IS NOT YOUR PRINCIPAL) – If you are asked to issue a second set of bills of lading (either in exchange for the first set or in replacement of lost bills of lading) you must only do so with the authority of your principal and the shipowner (if the shipowner is not your principal). You must also follow your principal's and/or the shipowner's instructions with regard to the form of the new set of bills of lading, security, etc.

ISSUE "FREIGHT PREPAID" BILLS OF LADING BEFORE FREIGHT IS PAID - If you do so it is an extension of credit and is uninsured. If the merchant does not pay, then without the authority of your principal, you will have to pay the freight.

IF IN DOUBT ALWAYS REFER TO MANAGEMENT. THE STAFF OF ITIC ARE ALWAYS READY TO ASSIST WITH ADVICE.

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