



THE
PROFESSIONAL
INSURER

ITIC Guidelines for Import Cargo

Releasing Cargo

AGAINST AN ORIGINAL BILL OF LADING

1. Check that the following details correspond with the manifest:

- Date and b/l number
- Container numbers / seal number
- Shipper / consignee / notify party

Any variations could indicate an attempt to commit fraud

3. Check that the person collecting cargo is entitled to it.

- Confirm the identity of those attempting to take delivery and pay particular attention to endorsements.
- If in doubt speak to your principal or approach ITIC.

2. Check for proper signatures.

- An unsigned b/l is not issued properly and could be an amended copy or a forgery.
- The signature must correspond to the authorised signature on file.
- Raise any concerns with the principal and load port agent, and consider sending a fax copy to them for verification.

4. Check freight and charges.

- Are any due?; If so, have they been paid?

RELEASE AGAINST A LETTER OF INDEMNITY

AN AGENT MUST HAVE THE PRINCIPAL'S AUTHORITY TO DO THIS.

If a letter of indemnity is required, it is the agent's duty to ensure that it is correctly worded, correctly signed, and counter-signed by a bank (if required). In addition to the guidelines for release without taking an original bill of lading, we recommend the following:

DO:

Obtain the express written authority of the principal as to the wording/duration/amount/security (eg counter-signature by bank) of the letter of indemnity.

Ensure that the goods shown in the letter of indemnity correspond to those shown in the bill of lading (if one is available) or manifest.

Ensure that the letter indemnifies all parties who might be prejudiced by delivery without bills of lading - This includes the principal (who could be a shipping line or an NVO), the agent himself, and the owner or charterer of the ship, and all their agents.

Make reasonable efforts to obtain the original b/l from the receiver - If the bill of lading has not been produced within a reasonable time, notify the principal and ask for instructions.

Check that the indemnity is genuine as forgeries are not unusual. This would include checking with the counter-signing bank that they have indeed counter-signed the letter of indemnity

DO NOT:

Accept faxed copies or photocopies of letters of indemnity - They can be forgeries.

Release cargo against a letter of indemnity in the knowledge that the party offering the letter of indemnity is not entitled to the cargo - This might amount to a fraud either on the party entitled to delivery of the goods under the bill of lading or on a party, such as a financing bank, having rights over the bill or the goods.

REMEMBER - AN INDEMNITY IS ONLY AS GOOD AS THE PARTY ISSUING IT!



Release Without Taking an Original Bill of Lading

AN AGENT MUST HAVE THE PRINCIPAL'S AUTHORITY TO DO THIS.

Delivery of cargo to a party not holding an original bill of lading is a breach of the bill of lading contract and the legal holder of the bill of lading can sue the shipowner, the carrier or the party who has wrongfully delivered the cargo.

DO:

REFER ANY REQUEST TO DELIVER WITHOUT ORIGINAL B/L to a director or senior manager of your company, who should sign the file or manifest approving the release.

GET AUTHORITY IN WRITING FROM THE CORRECT PRINCIPAL - Particular care must be taken to identify the true principal (or principals) from whom the agent can receive authoritative instructions. It is possible to be the agent for two parties.

OBTAIN EXPLICIT WRITTEN AUTHORITY TO RELEASE WITHOUT ORIGINAL BILL OF LADING – Receiving only verbal authority to release cargo could leave an agent liable to a claim.

GET AUTHORITY IN WRITING FROM THE CARGO OWNER, either directly or through the principal, to give delivery of the goods to the party claiming them.

CHECK THE AUTHENTICITY OF ANY INSTRUCTION TO RELEASE CARGO WITHOUT TAKING THE ORIGINAL BILL OF LADING - ITIC has seen forged release instructions which purported to come from the loadport agent, the shipper or the principal.

ENSURE THAT THE NOTIFY PARTY HAS BEEN NOTIFIED - If the bill of lading does not identify the notify party, the agent should request this information from his principal or from the carrier, if the carrier is not his principal.

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

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DO NOT:

ACCEPT INSTRUCTIONS FROM THE LOADPORT AGENT TO RELEASE WITHOUT ORIGINAL B/L - Always confirm with your principal.

SUCCUMB TO COMMERCIAL PRESSURE FROM GOOD CUSTOMERS TO RELEASE CARGO WITHOUT ORIGINAL B/L - Deliberate commercial risks are not insured, either by the carrier's insurer or by ITIC.

REMEMBER THAT YOUR PRINCIPAL HAS NO INSURANCE FOR THE CONSEQUENCES OF DELIVERY OF CARGO WITHOUT TAKING THE ORIGINAL BILL OF LADING IN EXCHANGE, AND YOUR OWN INSURANCE COULD BE PREJUDICED.