

Explanatory Notes CONLINEBILL 2000

CONLINEBILL Liner Bill of Lading revised

BIMCO has recently completed the revision of one of its most widely used forms, the CONLINEBILL Liner Bill of Lading, which was last amended in 1978. CONLINEBILL is extensively used throughout the maritime industry either as a "port-to-port" bill of lading or as a through transport document.

The primary aim of the revision has been to bring the provisions of CONLINEBILL up to date to reflect modern commercial practice. However, the introduction of revised terms and conditions has been carefully balanced against the need to maintain the appeal of CONLINEBILL to users in many diverse sectors of the industry.

Although it is over two decades since CONLINEBILL was last revised, it is just three years since BIMCO completed work on a non-negotiable version of CONLINEBILL - the Liner Seaway Bill LINEWAYBILL.

In many respects, LINEWAYBILL served as a model on which the revised CONLINEBILL was formed. Much of the structure and layout of the terms and conditions is borrowed from LINEWAYBILL and the two forms now share a number of common clauses. The revised Liner Bill of Lading has been code named CONLINEBILL 2000.

CONLINEBILL 2000 was approved by BIMCO's Documentary Committee at its meeting in Copenhagen on 17 November 2000.

The face of the document At first glance, the face of the revised Liner Bill of Lading is strikingly different in appearance to its predecessor. A modern, easy to read box-layout format has been introduced, consistent with the overall document design used by BIMCO for the majority of its other standard forms. The "Shipped on board" box and the signature box now lie on the left-hand side of the form. An important amendment to the form is that a new box has been incorporated where the carrier acknowledges receipt of the total number of containers, packages or units received. This should make it clear that in the event of containerised cargo being shipped, the carrier only acknowledges receipt of the actual number of containers received and not the actual contents.

On the right-hand side of the form a box stating the date the goods are shipped on board appears next to the "Place and date of issue" box. The purpose of the "Date shipped on board" box is to accommodate situations where the issuing of the bill of lading takes place at a date later than the date of completion of loading the cargo. Previously, the date of shipment on board had to be inserted manually when different from the date of issuing the bill of lading.

Additionally, in order to avoid compromising the package limitation provisions of the US COGSA when trading to the United States, a box named "Shipper's declared value" has been incorporated. (see also "Additional Clause" below).

The signature box has undergone a significant amendment to ensure that the requirements of Article 23 of the ICC Uniform Customs and Practice for Documentary Credits (UCP 500) are met: Above the signature box the carrier's name and principle place of business must be stated. The Bill of Lading must be signed or otherwise authenticated by:

- the carrier or a named agent for and on behalf of the carrier, or - the master or a named agent for and on behalf of the carrier.

The signature box used in CONLINEBILL 2000 complies with the above UCP 500 requirements and should help eliminate many of the problems that banks have with accepting bills of lading.

Standard terms and conditions

Clause 1 - Definition The definition of "Merchant" has been extended to include "the consignor" and "any person entitled to possession of the cargo" to ensure that the term encompasses all relevant persons.

Clause 2 - Notification This Notification Clause is new and is designed to expressly exclude the carrier from any liability in the event that the carrier fails to notify the arrival of the cargo to the party stated under "Notify Party" on page 1 of CONLINEBILL 2000. The details given in the Notify Party box are solely for the information of the carrier.

Clause 3 - Liability for Carriage Between Port of Loading and Port of Discharge This Clause has been amended to incorporate the latest edition of BIMCO's standard General Clause Paramount, supplemented with some additional provisions to cater for specific needs and protect the overall balance of the document. Although the carrier is free to substitute the vessel (Clause 6) and to tranship, lighter, etc., (Clause 7), Clause 3 ensures that he cannot escape responsibility for the cargo while it is in the hands of another carrier. Consequently, the carrier remains responsible for the settlement of any cargo claims that may arise while the cargo is in the custody of his sub-contractors.

Because the extent of the carrier's liability is dependent upon the way in which Page 1 is filled in, it is essential that the "Port of loading/discharge" and "Pre-/On-carriage" boxes are filled in with great care, since their content will determine the scope of the contract.

New sub-clause 3(b) deals with the carrier's liability for delay situations and consequential loss or damage other than loss of or damage to the cargo. Finally, in order to consolidate all provisions concerning the carrier's liability, an "aggregate liability" provision has been added as a new sub-clause 3(c) to avoid that the accumulated damages for which the carrier can be held liable under Clause 3, or the Additional Clause, if applicable, and any other clauses, could eventually exceed the limit of liability envisaged under either Clause 3 or the Additional Clause, if applicable.

Clause 4 - Law and Jurisdiction The wording has been amended slightly for the sake of clarity.

Clause 5 - The Scope of Carriage The words "voyage" and "service" in the old clause have been replaced by "carriage" for simplicity and consistency with other clauses. Similarly, it should be noted that all references to "goods" previously found in CONLINEBILL have been changed to "cargo", for the sake of consistency throughout the Contract.

Clause 6 - Substitution of Vessel The old substitution provision was connected with the transshipment and forwarding provisions. Substitution is now dealt with separately in Clause 6.

Clause 7 - Transshipment The carrier's right to tranship, land, store, reship and forward the cargo is dealt with in this Clause. The provision also gives the carrier the right to lighter the vessel - which had formerly been dealt with under a specific "Lighterage" clause.

Clause 8 - Liability for Pre- and On-Carriage Underlining the fact that if the carrier undertakes pre- or on-carriage, he does so as the Merchant's agent only, Clause 8 emphasises the importance of correctly filling in the "Pre-/On-carriage" boxes on Page 1.

Clause 9 - Loading and Discharging The old heading of this clause included "Delivery". However, as the carrier is required only to discharge the cargo and not actually physically deliver it, "delivery" has been removed from the heading and from sub-clause (a).

Sub-clause 9(e) emphasises the Merchant's obligations in respect of delivery by stipulating that should the Merchant fail to take delivery of the cargo, the carrier shall be deemed to have fulfilled the contract simply by discharging the cargo. Furthermore, the clause stipulates that if the cargo is not applied for within a reasonable time the carrier may sell it privately or by auction.

Minor amendments have been made to the Clause for the sake of clarity.

Note: The old Clause 10 (Options) has been deleted as the bill of lading contains no provision for the parties to agree on alternative discharge ports. Consequently, this would be a matter to be addressed by the parties under a separate agreement.

Clause 10 - Freight, Charges, Costs, Expenses, Duties, Taxes and Fines The term "prepayable freight" as applied in the old CONLINEBILL was found to be unclear and the clause has therefore been amended to read "freight, whether paid or not". Furthermore, to reflect common commercial practice, a fourteen days grace period has been added before the interest rate applies.

Clause 11 - Lien This Clause is self-explanatory and is unchanged from the earlier edition.

Clause 12 - General Average and Salvage As will be seen, general average shall be adjusted, stated and settled in London according to the current version of the York-Antwerp Rules 1994 at the time of the incident leading to the general average.

Clause 13 - Both-to-Blame Collision Clause This Clause is self-explanatory and is unchanged from the earlier edition.

Clause 14 - Government directions, War, Epidemics, Ice, Strikes, etc. This Clause is self-explanatory.

Clause 15 - Defences and Limits of Liability for the Carrier, Servants and Agents The old clause has been maintained with the addition of new sub-clause 15(c), by which the merchant agrees to prevent claims being raised against any servant or agent of the carrier. Should a claim be raised, despite the efforts of the merchant, then the carrier will be indemnified by the merchant against all consequences of such a claim.

Clause 16 - Stowage The wording of this clause has been expanded to take into account contemporary methods of stowing cargo.

Clause 17 - Shipper-Packed Containers, trailers, transportable tanks, flats and pallets Recognising that CONLINEBILL may be used in the container trade, this clause has been added to provide for defences from liability available to the carrier in connection with containerised cargo.

Clause 18 - Return of Containers Under this new provision the Merchant is liable to the carrier for any loss of, damage to, or delay, including demurrage, to containers and other portable stowage units while in his custody.

Additional Clause The old Additional Clause A (Demurrage) has been deleted since the demurrage concept does not apply to the liner trade. The US Trade Period of Responsibility still applies to those involved in US trades and has been maintained.

To protect a carrier, who is involved in U.S. trades, against the risk of assuming greater responsibility without being able to take advantage of the freight earning provision in Clause 10, wording has been incorporated at the end of the Additional Clause to the effect that freight shall be payable on the cargo coming into the carrier's custody. Thereby, a carrier assuming responsibility for the cargo before its actual loading or after its discharge would become entitled to the agreed freight in case damage occurred before loading or after discharge but while cargo was under his responsibility.

Liner Booking Note - CONLINEBOOKING As the terms and conditions found on the back of the Liner Booking Note are identical to those of CONLINEBILL, a revised version of the Booking Note has been drafted reflecting the changes to the standard terms and conditions. The revised booking note is code named CONLINEBOOKING

2000.

Blank Back Forms The Blank Back versions of the Liner Bill of Lading and the Liner Booking Note have also been amended to reflect the revised box-layout of CONLINEBILL 2000 and CONLINEBOOKING 2000.

Withdrawal Notice Finally, it should be noted that the 1978 editions of CONLINEBILL and CONLINEBOOKING are now officially withdrawn. The withdrawal notice also applies to the French, German and Spanish versions of CONLINEBILL. BIMCO has no plans to produce foreign language versions of any of its forms in the future.

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