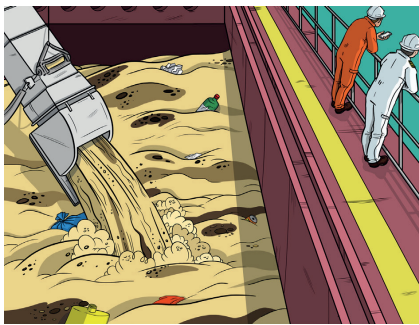


Bills of Lading - Describing the Cargo

Under a contract of carriage the Master is responsible for ensuring that the bill of lading accurately reflects the apparent order and condition of the cargo loaded. Failure to ensure this can have severe consequences such as delays to the vessel, arrest of the vessel, security demands and long and costly litigation.

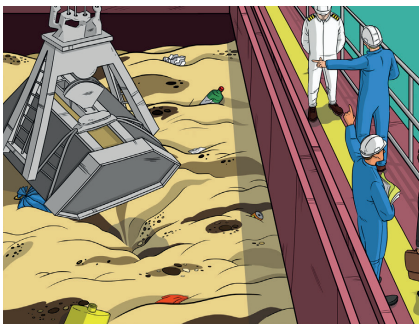


What Can Go Wrong?

Defective or substandard cargo should not be loaded. Depending on the nature of the cargo, dirt, contamination, foreign matter or debris, discolouration and odour can result in problems at discharge.

Taking tough decisions at the time of loading to reject substandard cargo, or clause the bills of lading to accurately reflect the condition of the cargo may prove to be the best and most effective solution.

This example shows a discoloured cargo containing debris.



What Are The Consequences?

Differences in the apparent condition of the cargo as described in the bill of lading and the cargo's condition at discharge can result in severe delays and significant claims.

If the bill is clean, there will be an assumption that the cargo damage occurred on board whilst under the care and responsibility of the Master.

The shipowner then faces the difficult task of proving the damage was pre-shipment, contrary to the documentary evidence.



How to Prevent It: Proper Preparation

When instructions to load a cargo are received, it is vital to understand how it should be loaded and cared for during the voyage.

Ensure full and proper information on the cargo is provided by the shipper or charterer, along with any specific carriage instructions.

Ensure all statutory requirements, such as those contained within the IMSBC Code, are fully complied with.

CONTINUED OVERLEAF

**Global service
built around you**

Bills of Lading - Describing the Cargo



How to Prevent It: Monitoring and Vigilance

Make best efforts to observe the condition of the cargo prior to loading and throughout loading operations.

Problems or issues noticed during loading should be reported to the Chief Officer and/or Master immediately.

Remember, the shipper or charterer may be insistent on clean bills of lading and may put pressure on the crew not to clause them. The best alternative to clausing bills is to reject defective cargo.

If in doubt – STOP!



Protecting Your Position

It is essential that the bills of lading accurately reflect the apparent order and condition of the cargo and, if necessary, are claused accordingly. The Master or owner can prejudice cover under P&I Rules if they deliberately fail to clause bills of lading properly. Deliberately failing to clause bills can also lead to allegations of fraud as this will be viewed as trying to deceive a receiver who relies on the cargo description in the bills in good faith.

Assistance can be sought from the Club, surveyors and correspondents if necessary.

Remember, it is far less costly to address cargo problems at the time of loading than at discharge.

Disclaimer

This information is intended purely as guidance and is to be used at the user's own risk. No warranty of accuracy is given and users of the information are expected to satisfy themselves that the information is relevant and suitable for the purposes to which it is applied. No responsibility is accepted by the North of England P&I Association Limited, or by any person, firm, corporation or organisation who or which has been in any way concerned with the furnishing of data, the development, compilation, or publication, for the accuracy of any information or advice given herein or for any omission here from or for any consequences whatsoever resulting directly or indirectly from compliance with or adoption of guidance contained therein. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means (electronic, mechanical, photocopying, recording or otherwise) without the written permission of the publisher.