

UNIT ELEVEN

TYPES OF BILLS OF LADING

There are several types of bills of lading and these include the following:

- 1. Shipped bill of lading:** Under the Carriage of Goods by Sea Act 1924, the shipper can demand that the shipowner supplies bills of lading proving that the goods have been actually shipped. For this reason most bill of lading forms are already printed as shipped bills and commence with the wording: "Shipped in apparent good order and condition". It confirms that the goods are actually on board the vessel.
This is the most satisfactory type of receipt, and the shipper prefers such a bill as there is no doubt about the goods being on board and consequent dispute on this point will not arise with the bankers or consignee, thereby facilitating earliest financial settlement of the export sale.
- 2. Received bill of lading:** This arises where the word "shipped" does not appear on the bill of lading. It merely confirms that the goods have been handed over to the shipowner and are in his custody. The cargo may be in his dock warehouse/transit shed or even inland. The bill has therefore not the same meaning as a "shipped" bill and the buyer under a C.I.F. contract need not accept such a bill for ultimate financial settlement through the bank unless provision has been made in the contract. Forwarding agents will invariably avoid handling "received bills" for their clients unless special circumstances obtain.
- 3. Through bills of lading:** In many cases it is necessary to employ two or more carriers to get the goods to their final destination. The on-carriage may be either by a second vessel (e.g. to the Seychelles Islands via Mombassa or Bombay) or by a different form of transport (e.g. to destinations in the interior of Canada). In such cases it would be very complicated and more expensive if the shipper had to arrange on-carriage himself by employing an agent at the point of transshipment.
- 4. Groupage Bill of Lading:** Forwarding agents are permitted to "group" together particular compatible consignments from individual consignors to various consignees, situated usually in the same destination country/area, and despatch them as one consignment. The shipowner will issue a groupage bill of lading, whilst the forwarding agent, who cannot hand to his principals the shipowners' bill of lading, will issue to the individual shippers a Certificate of Shipment sometimes called "house bills of lading". At the destination, another agent working in close liaison with the agent forwarding the cargo will break bulk the consignment and distribute the goods to the various consignees. This practice is on the increase, usually involving the use of containers and particularly evident in the continental trade and deep sea container services. It will doubtless increase with containerisation development and is ideal to the shipper who has small quantities of goods available for export. Advantages of groupage include less packing; lower insurance premiums; usually quicker transits; less risk of damage and pilferage; and lower rates when compared with such cargo being despatched as an individual parcel/consignment.
- 5. Transshipment Bill of Lading:** This type is issued usually by shipping companies when there is no direct service between two ports, but when the shipowner is prepared to tranship the cargo at an intermediate port at his expense.
- 6. Clean Bills of Lading:** Each bill of lading states "in apparent good order and condition", which of course refers to the cargo. If this statement is not modified by the shipowner, the

bill of lading is regarded as "clean" or "unclaused". By issuing clean bills of lading the shipowner admits his full liability of the cargo described in the bill under the law and his contract. This type is much favoured by banks for financial settlement purposes.

7. **Claused Bills of Lading:** If the shipowner does not agree with any of the statements made in the bill of lading he will add a clause to this effect, thereby causing the bill of lading to be termed as "unclean", "foul", or "claused". There are many recurring types of such clauses including: inadequate packaging; "unprotected machinery"; "second-hand cases"; "wet or stained cartons"; "damaged crates"; "two cartons missing"; etc. The clause "shipped on deck at owner's risk" may thus be considered to be a clause under this heading. This type of bill of lading is usually unacceptable to a bank.

Undoubtedly, to the shipper, the most useful type of bill of lading is the clean, negotiable "through bill" as it enables the goods to be forwarded to the point of destination under one document, although much international trade is based on free on board (F.O.B.) or cost, insurance, freight (C.I.F.) contracts and, with regard to the latter, the seller has no further interest in the movement of the goods once they reach their port of destination.

Both F.O.B. and C.I.F. are two widely used types of contract of sale. F.O.B. means that the price quoted by the vendor includes the price of the goods and all expenses up to and including the cost of loading the goods on to the vessel. It does not include the cost of sea freight. In the case of C.I.F., the price quoted includes the cost of the goods, the cost of insuring the goods to destination, and the freight or cost of transport.

QUESTIONS

1. What does the "Shipped Bill of Lading" confirm?
2. Why is this type of B/L most satisfactory?
3. How does the "Received B/L differ from the "Shipped B/L"?"
4. When is the "Through B/L" used?
5. Where is this type of B/L particularly applied and why?
6. Explain the "Groupage B/L" and its function, in particular with containers.
7. Explain the meaning of the abbreviations FCL and LCL in connection with Groupage B/L (see Unit 1).
8. In what does a "clean B/L" differ from a "claused B/L"?"
9. Give some other terms for a "claused B/L".
10. Why is the clean, negotiable "through Bill of Lading" the most useful type of B/L to the shipper?
11. Explain and discuss the trade clauses abbreviated by F.O.B. and C.I.F.

EXERCISES

I COMPREHENSION AND VOCABULARY

1. State which type of B/L is described in each of the following statements:

(a) B/L issued to a shipper when he delivers the goods into the custody of the shipowner or his agent (e.g. wharfinger or dock authority) before the ship has arrived or before the ship is ready to receive the goods;

- (b) B/L covering the carriage of goods to its destination partly by sea and partly overland, or where sea transport occurs by two or more ships;
- (c) B/L containing clauses that the goods or the packaging are not satisfactory, or that the contents, weight, measurement, quality, or technical specification of the goods are not known to the carrier;
- (d) B/L issued after the goods have actually been loaded into the ship;
- (e) B/L bearing no clauses or endorsement as to the defective condition of the goods or packaging, etc.;
- (f) B/L referring to the goods for a number of receivers, but the goods is despatched and carried as one consignment only. For various shippers/receivers under the same B/L separate Certificates of Shipment are issued. Specially suitable for the shipment of containers. Opposite to Straight or Order B/L:
- (g) B/L issued when the goods are carried by two or more ships;
- (h) B/L bearing the words "or his or their assigns", also referred to as an "order B/L".

2. Complete the missing words (nouns and adjectives or adverbs): (nouns: FREIGHT, VALUE, BOARD, PROVISIONS, CONDITION, DISCHARGE; adjective/adverbs: AFORESAID, AFLOAT, GOOD, APPARENT, SAFELY)

Shipped on _____, in _____ good order and condition, weight, measure; marks, numbers, quality, contents and of the goods unknown, for carriage to the port of _____, or so near thereunto as the vessel may _____ get and lie always _____, to be delivered in the like _____ order and condition at the _____ port unto Consignees or their Assigns, they paying _____ as per note on the margin plus other charges incurred in accordance with the _____ contained in this Bill of Lading.

II GRAMMAR

1. Collocations. The following verbs have been used in the text taking the noun BILL OF LADING as object:

VERB		NOUN (as object)
accept	}	Bill of Lading
endorse		
issue		

VERB		NOUN (as object)
make out	}	Bill of Lading
pass		
present		
supply		
transfer		

The following verb take the nouns GOODS and CARGO as their objects:
e.g.:

deliver	}

forward
 despatch
 hand over
 take over the goods/cargo
 insure
 receive
 ship
 transfer

Find the instances of such collocations in the text and write down the sentences where the same appear, e.g.:

The shipper can demand that the shipowner supplies bills of lading proving that the goods have actually been shipped.

2. Condition III. Consider the following example :

It would be very complicated and more expensive if the shipper had to arrange the on-carriage by himself.

Bilo bi veoma komplicirano i skupo da krcatelj mora sam organizirati daljnji prijevoz.

... ..., kad bi krcatelj morao sam organizirati daljnji prijevoz.

Supply the right form of the verbs in brackets (present conditional or preterite) as required and translate the sentences into Croatian:

1. The buyer (not accept) such a bill of lading if a special provision (make) in the contract.
2. If the shipper (not agree) with the statement, he (not ship) the goods.
3. The ship (not leave) the port if the cargo (not stow) properly.
4. If we (can), we (receive) the cargo for shipment.

3. Word formation: Some of the endings to form nouns are listed in the table. Try to find some more examples in the previous Units.

Suffix	Example	Meaning
-ance	importance	state
-er/-or	shipper, operator	a person / thing which
-ation/-tion	destination	the act of
-ing	shipping	activity
-ment	shipment	state, action
-ity	quality	state, quality
-ism	intermodalism	condition / state
-ship	friendship	condition / state

III TRANSLATION

1. "Ukrcaj, iskrcaj, i isporuku/predaju robe organizirat će (arrange) vozarov agent, ukoliko nije dogovoreno (agree) drugačije. Iskrcaj, uskladištenje i isporuka ide na teret (at expense) naručitelja (Merchant). Naručitelj (trgovac) ili njegov opunomoćenik (Assign) ponudit će (tender) robu kada brod bude spreman za ukrcaj i onako brzo (as fast as) kako je brod može primiti, te, samo ako Vozar to zatraži, također van redovnog radnog vremena, ne kršeći (notwithstanding) običaje (uzance) luke (custom)."
2. 1. Da mogu, predao bih ti sva robna dokumenta (shipping documents).
2. Da se krcatelj i brodar slože, mogli bismo ukrcati robu odmah.
3. Predali bismo vam pošiljku kad biste nam predočili originalni primjerak teretnice.