



SEMAPHORE

Newsletter of the Maritime Law

Association of Australia and New Zealand



Avoid Confusion When Bills of Lading Are Consolidated

A recent claim handled by the International Transport Intermediaries Club (ITIC) has outlined potential problems when bills of lading are amended.

Confusion arose after a Colombian shipping agent was asked to amend a booking on behalf of the carrier. Originally, the booking was split over two bills of lading but the carrier wanted them to be consolidated into a single bill.

This was requested well before the cargo arrived in Colombia and, although the agent made the changes on the carrier's system, they omitted to make similar amendments on the local Customs system.

When the consignee presented the import declaration to pay the taxes due on the cargo, it was not possible to link the payment with the consolidated single bill of lading included in the import declaration. The local Customs system was still showing two separate bills.

To rectify the problem, the receiver was asked to provide a new import declaration but was unsure whether to agree with the request. During this delay, container detention and warehousing costs escalated.

The receiver eventually agreed by which time the cargo had been delayed by almost a month. As a result, they made a claim against the carrier who then made a counter-claim against the ship's agent for US\$32,000.

The agent had no defence as the negligence on their part for not updating the Customs system was undisputed. Local legal representation, arranged by ITIC, settled the claim on behalf of the agent.

ITIC said this was a warning to intermediaries to check and recheck amendments to bookings and to ensure all relevant paperwork is raised and relevant authorities are duly notified when changes are made.

Mutual insurer ITIC is a global provider of professional indemnity insurance to transport professionals. Its insurance offering has been developed primarily to cover claims of negligence – errors or omissions.

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