

Sending Goods by Sea

Sea Transport Documentation

The overall requirements for and types of documentation used for sea transport remain consistent with most shipments ([waybill, packing list, proforma, etc](#)). There are documents specific to sea shipping however. These might include:

Bills of Lading (BOL) - The BOL is the transport waybill for a sea freight consignment. BOLs are conceptually one of the oldest mutually recognised forms of consignment tracking; traditionally seaborne trade was one of the few ways countries conducted official trade. The BOL states to whom and on what terms the goods are to be delivered at destination. It is one of the most crucial documents used in international trade in that it ensures the shipper receives their payment and the consignee receives their cargo, and without an official BOL the goods will not be released. Modern BOLs are highly standardised, and BOLs generated by different shipping lines will look almost identical in layout. Many shipping companies will require BOLs even if the vessel is not moving between two different countries – the BOL also represents a contract between the vessel owner and the owner of the good being shipped.

There are three types of BOL arrangements that can be used:

- **Original BOL** - Consignee has to handover all three sets of original BOLs to their customs agent at destination to release the cargo. With original BOLs, possession of the goods is determined by possession of the BOL - whoever possesses the original BOLs may be entitled to demand possession of the goods from the carrier. Shipments using original BOLs may be delayed if the documents are lost or not in hand at the time of clearing.
- **Seaway BOL** - Original BOL is not required and cargo can be released directly to the consignee by their customs agent. Seaway BOLs are useful because the physical document does not need to be present, and the consignee can begin clearing as soon as cargo arrives. Many banks do not accept Seaway BOLs if a letter of credit is required however.
- **Telex Release BOL** - In telex BOLs, the supplier surrenders the original BOL to their export/forwarding agent at origin and transmits using telex directly to customs at destination request to release of cargo to the consignee.

BOLs are usually issued in a set of three originals and several non-negotiable copies. The BOL is signed on behalf of the ship owner by the person in command of a ship or the shipping agent, acknowledging the receipt on board the ship of certain specified goods for carriage. It stipulates the payment of freight and the delivery of goods at a designated place to the consignee therein named.

The BOL is the major shipping document and has three roles:

- It affirms the contract of carriage and sets out the terms thereof. It is evidence of the contract between the consignor and the shipping line, and on the reverse details the conditions of carriage.
- It is the carrier's receipt for the carriage of goods by sea and is signed by the master or another duly authorised person on behalf of the ship owner, acknowledging receipt on board the ship of certain specified goods that he undertakes to deliver at a designated place.
- Possession of the original BOL gives the title to the goods being carried. It is considered good practice for the consignor to ensure that at least one original BOL reaches the consignee in good time since the consignee will receive the goods only against

presentation of at least one original BOL.

Terms of the BOL:

There are three different entries possible in the box headed "consignee":

- To bearer: this means that any person having possession of the BOL may collect the goods; such person is not required to disclose their identity or to explain how they came into possession of the BOL. The mere fact that they have possession of and present the BOL is sufficient. Issuing BOL "to bearer" is not common practice and carries significant risk.
- To order: this is the form of BOL used most frequently in commercial transactions. As long as the shipper holding the BOL has not endorsed it, he is entitled to dispose of the goods. By endorsing it, he transfers his rights to the endorsee, that is, the person to whom the BOL is assigned by endorsement. Title to the goods is thereby transferred to the new holder of the BOL who may in turn assign it by endorsement to somebody else.
- To a named party (straight BOL): in contradiction to a BOL "to order", the straight BOL - one in which it is stated that the goods are consigned to a specified person - does not entitle the shipper to dispose of the goods. That right is vested exclusively in the receiver who alone has the right to collect the goods, upon presentation of the BOL and proof of his identity. Named parties are by far the most common and secure form of named consignees.

Other commonly used BOL terms:

- **Straight BOL** - Assigned by means of a document instrument in writing, evidencing the assignment, which the assignee must present to the master of the vessel together with the original BOL when he collects the goods. On a straight BOL, the term "to the order of" printed on standard BOL must be crossed out, and the deletion initialled by both the shipper and the Master.
- **Clean BOL** - Declares there is no damage or loss of cargo in transit. Goods may sometimes be 'received alongside', which can result in a delay prior to the physical loading of the goods onto the vessel.
- **Unclean BOL** - Contains a notation that goods received by carrier were defective or damaged.
- **Through BOL** - Issued when a shipper wishes the carrier or shipping line to arrange for transport to a destination beyond the port of discharge. The through BOL, in addition to the agreement to carry goods from port to port, includes a further journey (by sea or land) from the port of ship's destination to a distant place (for instance, a destination inland instead of a port).
- **House BOL (HBL)** - An internal document generated by a forwarder or broker to provide relevant information to a client. HBLs may not always be presented as official documentation used during the customs process.
- **Master BOL (MBL)** - the official BOL generated by the shipping line or vessel operator. MBLs will generally bear the most accurate information, and many customs authorities will only use MBLs for customs clearance purposes.

Example BOL:

XXXXXX LINER SERVICES

Non-Traditional Movement – there may be instances in which cargo is moved via a seafaring vessel in which no BOL is used. Such an instance might be when cargo is moved using ocean waterways without moving between two countries, when the sea carrier or vessel owner isn't large enough to participate in regular maritime shipping practices, and when natural disasters or conflicts preclude the normal procedures associated with sea shipping. In such instances, individuals or organisations should still endeavour to utilise standard shipping best practices, such as use of packing list and waybill, to prevent loss or theft along the way.