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To: Transport Industry Operators

Warsaw Convention HK\$135/kg

What is the air carriers' liability limitation for cargo claims in Hong Kong?

Hong Kong has adopted the Amended Warsaw Convention by way of its Carriage by Air Ordinance (Chapter 500).

Article 22 (2) (a) limits the carrier's liability to 250 francs per kilogramme unless the consignor has made a special declaration of interest. The 250 francs/kg has been converted to HK\$135/kg according to Hong Kong laws.

Article 22 (2) (b) further provides that when the loss, damage or delay of a part of the cargo affects the value of other packages covered by the same air waybill, the total weight of such packages shall be taken into consideration in determining the limit of liability.

Article 8 (c) requires the air waybill to contain a notice to the consignor to the effect that "if the carriage involves an ultimate destination or stop in a country other than the country of departure, the Warsaw Convention may be applicable and that the Convention governs and in most cases limits the liability of carriers in respect of loss of or damage to cargo".

According to Article 9, if the air waybill does not include the notice required by paragraph (c) of Article 8, the carrier shall not be entitled to avail himself of the provisions of paragraph (2) of Article 22. In other words, the carrier shall not be allowed to limit its liability to HK\$135/kg of the cargo lost, damaged or delayed.

We recommend that you check your air waybill and ensure that it contains the notice required by Article 8(c).

If you have any questions or you would like to have a copy of the Carriage by Air Ordinance, please feel free to contact us.

Simon Chan and Richard Chan

Coming from a strong transport background, the two Chans were respectively the heads of underwriting and claims/loss prevention at the Hong Kong regional office of the Through Transport Club or better known as the TT Club for more than 11 years. The Chans have ample experience in designing liability and property insurance for forwarder, logistic service providers, shipping companies, feeder operators, air cargo terminals, container terminals, container lessors in Greater China and Asia. Richard and Simon are now independent risk management advisors able to offer full array of risk management service packages available in the market, plus, objective advice using their well developed and popular risk management skills, to the best interests of operators in the transport fraternity. They are eager to answer whatever insurance needs you may have as a transport operator.