

Forwarder Operation Guidelines (Air)

Further to our Chans advice/25 of 23/1/2003 about the Forwarder Operation Guidelines for sea shipments, we would like to suggest a set of Guidelines for air shipments.

We are handling various different types of transport liability insurance claims for our forwarder clients every day. A lot of these claim cases are resulted from the errors or omissions of the forwarders, their employees, agents or subcontractors. Based on our years of experience in handling transport liability insurance claims, we have drafted the following forwarder operation guidelines hoping that these may be useful reference for the forwarders to avoid the errors or omissions and therefore to prevent losses or claims.

Export

1. Carefully check the external condition of the goods delivered by the shipper for shipment and ensure that the receipt and also the Air Waybill ("AWB") are remarked accordingly when the goods show damage, defects or discrepancies.
2. Ensure that the information stated in the AWB is correct, in particular:
 - (a) the place/airport of departure and the place/airport of destination
 - (b) the description, quantity and external condition of the goods
 - (c) the shipper, consignee and notify party details.
3. Ensure that the House AWB contains a notice 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. If the House AWB does not include this notice, the forwarder shall not be entitled to limit its liability to US\$20/kg of the goods lost, damaged or delayed as per the Warsaw Convention.
4. Ensure to state the name of the forwarder (whose House AWB has been issued) as the shipper in the Master AWB issued by the airline. Otherwise, the forwarder may have no title to sue the airline.
5. Do not issue a clean AWB for the goods which are already damaged or where discrepancies are noted upon receipt from the shipper.
6. Do not guarantee any departure, arrival or delivery time. Only estimated time e.g. ETD, ETA is provided to the shipper and the consignee.
7. Do not state any value of the goods in the box "Declared value for carriage" under the AWB.
8. Do not send out blank AWB unless it is clearly marked "sample".
9. Do not issue AWB for promised goods. AWB can only be issued after the goods have been received from the shipper.

10. Prior to the cargo arrival at the place of destination, the shipper has the right to dispose of the goods by withdrawing them at the aerodrome of departure or destination, or by stopping them in the course of the journey on any landing, or by calling for them to be delivered at the place of destination or in the course of the journey to a person other than the consignee named in the air waybill, or by requiring them to be returned to the aerodrome of departure. However, the shipper has to produce the original AWB before the shipper is entitled to exercise the aforesaid right of cargo disposition.

Import

1. Carefully check the external condition of the goods upon delivery by the airline and ensure that the receipt is remarked accordingly when the goods show damage, defects or discrepancies.
2. In the case of cargo damage or delay, ensure to send written complaint to the airline within 14 days or 21 days respectively from the date of receipt of the goods. Failing complaint within the times aforesaid, no action shall lie against the airline.
3. On arrival of the goods at the place of destination, ensure that the goods are only released to the consignee.
4. Ensure to have the consignee's written approval if the goods are to be released to any other parties including the notify party.
5. In case the consignee declines to accept the AWB or the goods, or the consignee cannot be communicated with, the shipper resumes the right of disposition of the goods.
6. Ensure to collect any charges due to the forwarder e.g. freight, duty, tax, storage, ... before releasing the goods.
7. Encourage the consignee to claim against the cargo insurance for fuller and quicker compensation in case of cargo loss or damage.

Please feel free to contact us if you have any questions.

Simon Chan and Richard Chan

Coming from a strong shipping and air transport background, Richard and Simon have ample experience in designing liability and property insurance for forwarders, logistic service providers, shipping companies, feeder operators, air cargo terminals, container terminals, and container lessors in Asia Pacific. Richard and Simon are independent risk management advisors able to offer full array of risk management services, including full-scale professional claims handling, loss prevention advice and prudent sourcing of insurance for your ease of mind. Their blended transport and insurance expertise are unique in the market. They are eager to answer whatever claims handling and insurance needs you may have as a transport operator.