



29 December 2003
Ref : Chans advice/36

To: Transport Industry Operators

Cargo Delivery Standing Instructions

We are handling many cargo misdelivery claim cases for our forwarder clients. Most of these claim cases were caused by the negligence or deliberate misconduct of the overseas agents. The usual bad news is that the goods have been released without production of the original bill of lading (for sea shipments) or that the goods have been released without the bank's instructions where the consignee under the air waybill is a bank (for air shipments). The shipper then claim against or sue the forwarder (whose house bill of lading or house air waybill has been issued) for the cargo value that the buyer fails to pay. This is usually talking about large amount of money and the forwarder would have difficulty to defend the claim. Even worse, the party which has taken the cargo delivery would soon disappear. The overseas agent would also make use of various means to avoid liability e.g. disappearance, closure, bankruptcy, harsh standard trading conditions limiting or exempting liability.

In an attempt to prevent such kind of cargo misdelivery, we suggest the following cargo delivery standing instructions for the forwarders to send to all their overseas agents:

Quote

Cargo delivery standing instructions

Please note and comply with the following standing instructions when you act as our agent to deliver the goods shipped under our bill of lading or air waybill. These standing instructions apply to all the shipments under our bills of lading or air waybills. If you fail to comply with any of these instructions, you have to assume full liability.

Sea shipments

1. Please make sure you have got back one duly endorsed original of our bill of lading as surrendered by the consignee before you deliver the goods to the consignee.
2. If no duly endorsed original of our bill of lading is surrendered to you, please do not deliver the goods to any party unless you have first obtained our written approval.



3. No guarantee letters (including bank guarantee letter) will be accepted by us for cargo delivery without production of our original bill of lading unless you have first obtained our written approval.
4. All the above instructions still apply even if our bill of lading is a straight bill of lading (i.e. the bill of lading is consigned to a named consignee).
5. Please collect all the freight and any other outstanding charges prior to the cargo delivery.

Air shipments

1. Please only deliver the goods to the consignee as stated in our air waybill.
2. If the consignee stated in our air waybill is a bank, please make sure you have obtained the bank's written instructions so that you can deliver the goods to the party as instructed by the bank.
3. Please collect all the freight and any other outstanding charges prior to the cargo delivery.

In case you have any doubt or uncertainty on the cargo delivery, please make sure you first obtain our written instructions before you proceed to deliver the goods.

Unquote

We hope the above is useful for your reference in your operation. Please feel free to contact us if you have any questions.

Simon Chan
Director
E-mail: simonchan@sun-mobility.com

Richard Chan
Director
E-mail: richardchan@sun-mobility.com