

Are Your Shipments Accompanied By A Proper Bill of Lading?

A bill of lading is a written certification given by a carrier that accepts specific goods having been received on board in the form of cargo for the purpose of transportation to a place of destination and to a particular consignee.

This form is usually signed by the master of the ship or the shipping department of the company that will transport the goods to the consignee. The term "bill" means schedule of costs of services and "lading" which means loading cargo onto a ship or some other form of transport and together means sending cargo at a specified cost to the sender.

A standardized form of the document comprises a contract for the carriage of goods to meet a number of ends, some of which are:

1. Forms evidence of the existence of a valid contract for carriage of goods on behalf of the consignor and spells out all the terms and conditions of the contract
2. It forms a receipt which is signed by the consignee stating that the goods received conform in description to the goods consigned
3. Though it is a document of transfer, it does not mean that it is a negotiable instrument

There are three main types of this document as follows:

1. Straight bill of lading is also called a non-negotiable bill of lading. In this case the goods are consigned to a particular person and are not negotiable. That means that any endorsee will not acquire any better rights than those of the endorser.
2. Order bill of lading is also known as a negotiable bill of lading. This form will have express wording that states that the goods are to be delivered to the consignee or such person or persons that are assigned as consignees by the original consignee
3. Bearer bill of lading is a form that implies that the goods are to be delivered to whosoever holds the bill of lading. A bearer bill of lading can be negotiated through material delivery.

In most cases of national and international systems, a bill of lading does not mean that it is a document of title; rather it is identification that a consignee or a certain individual has the right to take possession of the goods at the time they are delivered. However, when the goods get lost or are damaged in transit, or if delivery gets delayed or is refused, this form does not become enforceable because of the terms of the privity of contract which do not give a third party the right to enforce the contract. Most often, the legal answer to this problem lies in the fact that it is treated as a principle of subrogation wherein the consignee has the same rights as the consignor, thus granting justice to all parties concerned.

A bill of lading must have the name of the consignor, the consignee's name, the vessel's master's name, the vessel's name, places of departure and destination, the freight's price as well as the marks and number of goods shipped. The document is usually made out in three parts. One part is sent on board with the goods to the consignee. The second part is sent either through the postal service or some other similar means and the third part is kept by the merchant or by the shipper.

Separate bills of lading may be issued for inland or domestic transportation as well as for ocean or air transportation or in some cases a through bill of lading can be had that covers all forms of transportation.

Without expending too much effort, time or money, a bill of lading form may be obtained from vendors who sell these quality documents that contain all the salient points of a good document. All that remains is to fill out these documents and have any modifications made to it as are necessary and a completed form will be ready for use without too much effort.

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