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# Terms and conditions applicable to the FIATA Multimodal Transport Bill of Lading

Guidance note on the terms and conditions of the FIATA Multimodal Transport Bill of Lading and their interaction with standard trading terms and conditions

## Introduction

To meet the need for a multimodal transport document acceptable under a letter of credit, the FIATA Multimodal Transport Bill of Lading (FBL) originated in 1968. The FBL is a carrier-type transport document set up by FIATA for the use of freight forwarders acting as Multimodal Transport Operators (MTO).

The terms and conditions of carriage of the FBL are printed on its backside, and apply whenever the FBL is used, therefore providing uniformity in its trade usage. FIATA notes that some confusion has been expressed as to the application of standard trading conditions (STCs) developed by FIATA Association Members for the use of member forwarders, which vary from jurisdiction to jurisdiction, and their relation with the FBL terms and conditions.

This short guidance note seeks to dispel this confusion by providing clarification on the role of the FBL terms and conditions and STCs.

## Terms and conditions of the FIATA Multimodal Transport Bill of Lading

The terms and conditions printed on the backside of the FBL cover solely the carriage of goods under the FBL. They apply when the FBL is issued, and in this sense, the issuing forwarder acts as the carrier.

Their uniform application establishes a reasonable level of certainty as to liability regardless of the trade, the nature of the commodity, the country of issue, the identity of the forwarder, or the actual carrier. For example, the terms and conditions include crucial elements such as limitations of liability in terms of scope and financial value, rights of lien, notice of damage and time bars.

A specimen of this document, as well as all other FIATA transport documents, can be found in the [FIATA Documents and Forms Booklet](#). A full list of FIATA transport documents can be found on the [FIATA website](#).



## Standard trading conditions

STCs are recognized industry terms and conditions which state the general contract terms and conditions between the two contracting parties. These are often developed by a freight forwarder's national association, in line with local legislation, and vary from country to country. Often, they find their basis in the FIATA Model Rules for Freight Forwarding Services, which are the standard terms and conditions formulated by FIATA for any kind of freight forwarding services such as carriage, consolidation, handling, packing, storage, distribution of goods, as well as ancillary and advisory services in connection therewith. Several FIATA Association Members have developed their own standard trading conditions for adoption by their members.

As these rules are voluntary, they are not applied uniformly around the world – unlike the FBL terms and conditions. Use of STCs, as recognized industry terms and conditions, provide a level of assurance that the freight forwarder is trading in accordance with uniform terms specifically approved by FIATA (in the case of the FIATA Model Rules), or its national association where such STCs have been developed in their territory. STCs generally apply whenever they are referred to in a contract, regardless of the means of incorporation (being in writing, orally or otherwise). The forwarder may act either as the agent or carrier under the STCs. The STCs cover both options.

## Simultaneous application of the FBL terms and conditions and the STCs

The FBL terms and conditions and STCs are both distinct in their own right, given their differing terms and scope of application. Only when the forwarder issues an FBL for the client, and in the meantime refers to the FIATA Model Rules in the service contract, will the two terms apply simultaneously. Similarly, when the STCs of a national association apply and an FBL is issued by one of its members, the two sets of governing terms apply simultaneously.

In case there are conflicts among these terms, the extent to which the STCs prevail depend on their clauses. Some STCs of national associations have similar provisions, whilst some STCs provide that mandatory national laws or international conventions will supersede its terms, and others do not seem to have a clear provision on conflicting rules. The FBL has a paramount clause which stipulates that mandatory rules applicable to unimodal transport may, in some instances, supersede the provisions of the FBL. For example, Article 1.2 of the FIATA Model Rules provides that it shall prevail, except in respect of other terms that increase the forwarder's responsibility. Therefore, the forwarder's liability cannot be later reduced by the simultaneous application of additional rules stipulating a lower liability. Although most of the provisions in the FIATA Model Rules and FBL do not conflict with each other, the limit of carrier's liability in the FBL is higher than that in the FIATA Model Rules, and such higher limit should apply.

It should be noted that the above is merely a guide, and FIATA members are advised to enquire with their national associations whether there are potential conflicts between STCs and FBL, and which rules should prevail.