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New and revised recommendations and standards**Revision of Recommendation 12: Measures to facilitate maritime transport documents procedures****Submitted for approval by the International Trade Procedures Working Group (ITPWG) – TBG15***Summary*

At its ninth session, in March 1979, UN/CEFACT's predecessor, the Working Party on Facilitation of International Trade Procedures (WP.4), adopted Recommendation No. 12 relating to "Measures to Facilitate Maritime Transport Documents Procedures" (document TRADE/WP.4/INF.61).

The aim of this Recommendation is to simplify, rationalize and harmonize the procedures and documents used to evidence the contract of carriage in maritime transport.

It applies to consignment-based documents evidencing the contract or undertaking to carry goods by vessel, and to the related trade and administration procedures. It also applies to multimodal transport, as appropriate. It does not apply to charter parties but can be applied to bills of lading and similar maritime transport documents established under charter parties.

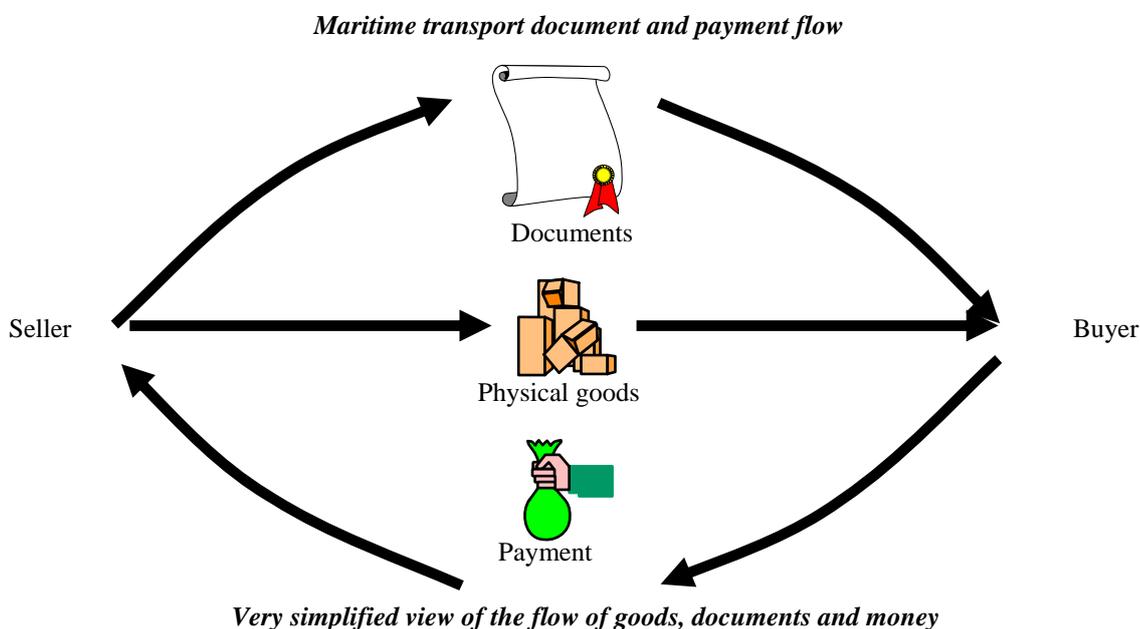
The present document contains the third edition of Recommendation No. 12, which the UN/CEFACT International Trade Procedures Working Group (ITPWG-TBG15) has prepared. The current revision, approved by the TBG Steering Committee, supersedes and replaces the second edition (ECE/TRADE/240).

It is submitted for review and approval by the 17th UN/CEFACT Plenary.

Introduction

1. At the heart of every international trade transaction of goods is the contract of sale between the seller and the buyer that establishes the conduct and performance of the commercial enterprise. A separate contract exists to cover the physical carriage of the goods that are sold. In some instances, there can be a further contract of trade finance that supports and often governs the agreed method of payment.

2. Maritime transport documents are issued to cover the contract of carriage and refer to a specific consignment of goods moved between seller and buyer (sometimes using intermediaries) and complement, but are entirely separate from, the physical movement of goods. A reciprocal movement of money between buyer and seller mirrors the transport document flow.



3. Maritime transport documents fulfil two key functions:
 - (a) to act as evidence of the contract and its terms and conditions;
 - (b) to act as evidence that the contracted carrier has received the goods for shipment and evidence of their apparent condition.
4. There are two basic types of maritime transport documents:
 - Sea waybill: a non-negotiable document that evidences the contract of carriage and that the carrier has received the goods for shipment, and that identifies the person to whom the carrier is to deliver the goods;
 - Bill of lading: a document that similarly evidences the contract of carriage and that the carrier has received the goods for shipment. However, this document fulfils a third function as it is also a document of title that must be surrendered to the carrier in order to take delivery of the goods. As such, it provides constructive possession of the goods and offers a method whereby ownership of the goods in transit maybe transferred from seller to buyer. A bill of lading may be either negotiable, enabling

transfer of title in the goods along a chain of buyers, or non-negotiable (“straight”), where the document facilitates transfer of ownership of the goods to the named consignee only.

5. This Recommendation, with its Guidelines, will demonstrate that the use of the sea waybill offers considerable benefits over the bill of lading.
6. The benefits of the sea waybill include, but are not limited to, the following points:
 - As it is not a document of title conferring ownership, it can be either a paper document or an electronic data transaction in the form of, for example, a message and can in this way fully accommodate both paper and electronic trading.
 - There is no need to convey the bill of lading as a paper document of title to the goods to the destination to secure delivery.
 - It eliminates any potential requirement of a Letter of Indemnity to ensure the timely delivery of goods that due to late arrival of the bill of lading at destination could otherwise be delayed.
 - Electronic equivalents of the sea waybill are already widely used.
 - The use of the sea waybill leads to reduced trade administrative costs for all parties in the international supply chain.
7. Equally, the Recommendation addresses the issue that current practice often (deliberately) demands the use of a bill of lading for functions outside of the legal scope for which it was originally intended. The individual recommendations, (a) to (d), aim to encourage all parties in the trading community and the Government to review and wherever possible reverse this widespread practice.

Recommendation 12

8. The United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT), as a result of the Open Development Process started in 2006, therefore recommends:
 - (a) **To sellers and buyers of goods:** to appreciate the advantages of, and to consider actively and positively, the use of the sea waybill in preference to the bill of lading, except when the goods are intended to be sold in transit or where there is a strong and valid case for independent documentary security.
 - (b) **To carriers (and their agents):** to advise on the benefits and disadvantages of available maritime transport documents and continue the well-established commercial practice of offering either the sea waybill or the bill of lading at the request of their customers while discouraging the unnecessary use of the bill of lading.
 - (c) **To banks, insurers and other financial institutions:** to appreciate the advantages and encourage the use of the non-negotiable sea waybill instead of the bill of lading whenever possible and feasible for the issuance of Documentary Credits and other payment instruments.
 - (d) **To Governments:** to encourage and accept the use of the sea waybill (or other non-negotiable documents) including its electronic equivalents and to ensure that national legislation does not prevent or hinder the use of such documents or the electronic exchange of its data.
9. UN/CEFACT commends Recommendation 12, with the individual recommended practices and its Guidelines, to public administrations and all parties in the international supply chain.

Scope

10. This aim of this Recommendation is to simplify, rationalize and harmonize the procedures and documents used to evidence the contract of carriage in maritime transport.

Field of application

11. This Recommendation applies to consignment-based documents evidencing the contract or undertaking to carry goods by vessel, and to the related trade and administration procedures. Equally, it applies to multimodal transport, as appropriate. It does not apply to charter parties but can be applied to bills of lading and similar maritime transport documents established under charter parties.

Guidelines to Recommendation 12

Introduction

12. The Guidelines to Recommendation 12 are designed to assist Governments, public administrations, agencies, authorities and all private-sector parties in the international supply chain to understand the role and functions of the various maritime transport documents.

13. The four separate recommendations are addressed to the parties involved in or having an impact on the movement of goods by sea, with the objective of encouraging whenever possible the use of the non-negotiable sea waybill to facilitate maritime transport documents procedures.

I. Carriage and delivery of goods

14. When the parties to the contract of sale select a sea waybill as the preferred maritime transport document to evidence the contract of carriage, the document or the information it contains can be conveyed by whatever method is most efficient and reliable to both the seller and the buyer, including by post, fax, e-mail, scanned imaging or electronic messaging.

15. By contrast, when a bill of lading is used, the seller has to arrange the conveyance of the original document to the buyer so that the buyer can surrender it to the carrier in order to take delivery of the goods.

16. This requirement can create problems as the goods often arrive at the port of discharge or the place of delivery before the bill of lading is available to the buyer. This means that although the goods are ready for delivery, the buyer does not have the means to take delivery.

17. When a bill of lading is delayed, the buyer has two options:

- to wait until the document arrives (not usually acceptable); or
- to issue a Letter of Indemnity to take delivery of the goods, with the consequent extra costs and additional commercial risk.

18. A Letter of Indemnity is a written statement in which the buyer undertakes to indemnify the carrier against any breach of the contract of carriage by wrongful discharge of the cargo or delivery of the goods. Carriers generally insist the Letter of Indemnity is unqualified, unlimited in amount and time, and signed by the buyer and guaranteed by a reputable bank.

19. In practice, carriers will usually accept a Letter of Indemnity limited in time (2 years) and amount (200%). Given these carrier-imposed conditions, the buyer will find that issuing a Letter of Indemnity involves extra costs and could have an impact on the availability of funds or lines of credit.

20. There are risks attached to the use of a Letter of Indemnity. Firstly, the carrier may not accept it. Should a carrier have released goods against a Letter of Indemnity to an incorrect party, the carrier remains liable to the lawful consignee for misdelivery and may not be able to enforce the indemnity. Secondly, and equally, the bank may decide not to support or guarantee the Letter. Therefore, most carriers instruct their agents in principle not to accept any Letter of Indemnity.

II. Electronic equivalents to maritime transport documents

21. Developments in information and communication technologies, allowing for secure electronic equivalents of documents, attempt to solve the difficulties created by the paper-based bill of lading. An electronic message or data transaction may, however, not be effective to replicate the legal characteristic of negotiability linked with the physical possession of a paper document.

22. Two types of e-business systems try to resolve the problem so that the bill of lading can be handled electronically. One system replaces the paper bill of lading with a register of titleholders held by a trusted third party (TTP). Contact with the TTP is authorized by secure electronic messaging and unique codes known only to the *current titleholder* and the Registry. Registration systems tend to be complex and costly to operate with these costs passed on to users in the form of charges or subscriptions. Registries can also lack flexibility because of their proprietary characteristics and the inability to deal with a mix of paper documents and electronic transactions. Moreover, the TTP operating the Registry often limits its liability should goods be released incorrectly or improperly.

23. The second system for a paperless bill of lading process uses information technology to secure the trade transaction. Using either a credit-card-type arrangement or escrow account principles, the system makes payment when goods are delivered in accordance with the sales contract. The seller profits from the secure payment guaranteed in the system, while the buyer is protected because payment is not made until acceptance of the goods. However, the system suffers from many of the difficulties encountered in the Registry system with regard to costs, flexibility and liability.

24. In contrast, electronic equivalents of the sea waybill are already widely used. Based on the document aligned to UN Recommendation No.1 – United Nations Layout Key for Trade Documents (UNLK) – the UN EDIFACT International Forwarding and Transport Contract Status ('IFTMCS') message exists with message implementation guidelines (MIGs) to facilitate the efficient exchange of data between computerized business systems. The transition of the sea waybill to the electronic environment has been made much easier here, in comparison with the bill of lading, where the document of title aspect adds complexity and creates obstacles.

25. Electronic documentation offers significant benefits for the preparation and use of maritime transport documents. Advantages include increased efficiency through a more accurate and speedier process with the reduction (or elimination) of errors and the ability to reuse data from other trade documents. Benefits may include reduced costs in demurrage charges and container hire fees, greater visibility and transparency of the supply chain, better customer service and enhanced competitiveness.

III. Business requirements - use of the negotiable transport document

26. Historically, the negotiable bill of lading was the only documentary option for maritime transport. Many traders still believe in strict adherence to the use of this traditional document in order to transfer title (ownership or property) and rights to the goods, take proper delivery of the cargo and obtain trade finance, often a Documentary Credit, for the international sales contract.

27. The belief that a negotiable bill of lading is a necessary requirement in the delivery of goods by sea is mistaken as the latest edition of the ICC Incoterms (publications 560 and 620, Incoterms 2000) shows by the phrase 'the usual transport document.' Indeed publication 560 draws specific attention to the fact that,

“in recent years, a considerable simplification of documentary practice has been achieved. Bills of lading are frequently replaced by non-negotiable documents similar to those which are used for other modes of transport than carriage by sea. These documents are called “sea waybills”, “freight receipts”, or variants of such expressions. Non-negotiable documents are quite satisfactory to use except where the buyer wishes to sell the goods in transit by surrendering a paper document to the new buyer. In order to make this possible, the obligation of the seller to provide a bill of lading under CFR and CIF must necessarily be retained. However, when contracting parties know that the buyer does not contemplate selling the goods in transit, they may specifically agree to relieve the seller from the obligation to provide a bill of lading, or, alternatively, they may use CPT or CIP where there is no requirement to provide a bill of lading.”

28. Some trading circumstances will always require the use of a negotiable bill of lading. The most obvious examples are where commodities, such as coffee or grain, are traded in transit, and where the contract of trade finance demands the use of a Documentary Credit to achieve payment. In these cases the negotiable transport document is used either to ensure the legal transfer of property to a new owner, or as a security and protection in the payment process.

29. In addition, there may be other occasions when the parties to an international trade transaction require independent documentary security for delivery of the goods or payment. Typically these occur in the early stages of a new commercial arrangement before a robust and trustworthy business relationship has developed. Equally parties may recognise the other risks in international trade, for example:

- Country - natural hazards and public and private sector risk;
- Financial – credit and foreign exchange risks;
- Business – non-delivery or non-payment.

30. When a combination of these risks occurs, either the seller or the buyer can attempt to eliminate or reduce potential exposure by managing the documentary process. A trader may wish to seek reassurance in the legal framework that has developed around the use of the bill of lading and, consequently, elect to use it to cover the transport element of the international trade transaction. However, there is an additional cost factor in attaining any extra level of documentary security.

31. When considering the use of the bill of lading to meet this legitimate business need, a trader should undertake a cost-benefit analysis of this solution to identify that any perceived advantages justify the additional costs. As trading partnerships develop and the supply-chain risks are effectively managed, traders should constantly review the need for a negotiable transport document to ensure it does not become “institutionalised” in commercial practice.

32. The introduction of the sea waybill has given sellers and buyers a more flexible and less complicated alternative, because it removes the requirement to produce a paper document to take delivery of the cargo at destination. Moreover, the legal framework surrounding the use of maritime transport documents is catching up with modern trade processes and supports the status and operation of the sea waybill in international trade transaction.

33. The United Nations Commission for International Trade Law (UNCITRAL) has made great efforts to codify appropriate legal rules on maritime transport documents, including sea waybills, resulting in the United Nations Convention on Contracts for the International Carriage of Goods Wholly or Partly by Sea 2008, known as the "Rotterdam Rules". This convention has not yet entered into force.

34. Using a sea waybill can provide a simpler, more trade efficient documentary process. Therefore, all commercial parties need to review regularly and consider carefully the use of maritime transport documents, and update commercial practice with simpler and more cost effective solutions.

35. The need for all parties in the international supply chain to conduct this review was highlighted by the UNCTAD (United Nations Conference on Trade and Development) Report on the results of a survey on “The Use of Transport Documents in International Trade”¹ that found ‘while respondents appear in general to be aware of the relative advantages and disadvantages associated with the use of negotiable and non-negotiable transport documents, it seems that negotiable bills of lading may sometimes be used as a matter of standard practice, without there being a need for the use of a document of title. This is clearly an area where commercial parties should consider reviewing their practice’.

Recommendation 12 (a)

36. **To sellers and buyers of goods:** to appreciate the advantages of, and to consider actively and positively, the use of the sea waybill in preference to the bill of lading, except when the goods are intended to be sold in transit or where there is a strong and valid case for independent documentary security.

Business requirements - the contract of carriage

37. The party arranging the carriage of the goods will determine the choice of maritime transport document for that consignment. Although invariably issued by the carrier (or the carrier’s agent) as a consequence of the contract of carriage, the carrier has no involvement in the selection process except to render the seller or buyer appropriate advice on the maritime transport documentation available.

38. The success of the maritime transport documents in providing validity, integrity and security to the movement of goods has led other parties to the international trade transaction to adapt the selected document to meet specific business needs, most notably in the banking and trade finance sectors.

39. In the instances where a bill of lading is selected to evidence the contract of carriage, it is produced for meeting the requirements of the carrier and the customer. Those needs differ depending on the consignment, the shipper and the shipping line and over time may change and will be reflected in the bill of lading. Third parties such as banks and competent authorities that make use of the bill of lading for another purpose need to recognize this situation and be prepared to revise their own procedures to accommodate the changes if they wish to continue to use the document for a function for which it was not originally intended.

40. It is unreasonable and unacceptable for third parties to seek to block or reverse the development of commercial maritime shipping practice in relation to the contract of carriage, and any such attempts could seriously damage the performance of the international trade transaction.

¹ UNCTAD/SDTE/TLB/2003/3 - 26 November 2003.

Recommendation 12 (b)

41. **To carriers (and their agents):** to advise on the benefits and disadvantages of available maritime transport documents and continue the well-established commercial practice of offering either the sea waybill or the bill of lading at the request of their customers while discouraging the unnecessary use of the bill of lading.

Business requirements -payment and documentary credit

42. The Documentary Credit is generally considered as offering a safe and secure method for getting paid, and around 15% of international trade transactions use this method of payment. The use of Documentary Credit usually arises when seller and buyer have not yet developed a robust and trusted trading relationship, or there is instability in the supply chain or the payment cycle. However, it is by no means foolproof and can be costly for trading partners.

43. The seller and buyer may wish to avoid this complexity and cost by considering other payment options, such as Payment in Advance, Documentary Collection (usually referred to as 'cash against documents') or Open Account trading.

Business requirements - contract of trade finance

44. Almost universally, the contract of trade finance offered by a bank (or other financial institution or party) demands the use of Documentary Credit as the most secure payment method available and as protection for its interest in the international trade transaction. This is particularly true for those instances where the bank finances the trade and has no direct form of financial security.

45. The terms of the Documentary Credit aim to meet the business requirements of the individual parties involved, specifically those of:

- **the seller:** to secure payment before relinquishing control over the goods.
- **the buyer:** to gain control of the goods in order to ensure they are not delivered to another party.
- **the bank:** to deal with the documents only as part of a separate and autonomous commitment to make payment, and ensure that the buyer has the ability to reimburse.

46. In practice, and to achieve its objectives, the bank requires control of the goods but without becoming a party to the contract of carriage. Here the bank is seeking to avoid the numerous indemnities in favour of the carrier. Consequently, the contract of finance will most often demand the use of a negotiable bill of lading as a document of title to ensure the performance of the payment method and safeguard against the inherent risks carried by the parties involved.

47. However, a sea waybill provides, in the same way, the documentary proof of a contract of carriage and that the goods traded meet the commercial terms and conditions of the international sales contract. Notwithstanding these additional commercial controls, a contract of finance that stipulates a Documentary Credit will limit the range of maritime transport documents available to the commercial parties.

48. When sellers and buyers are planning the financing of an international trade transaction, they must carefully weigh the benefits of extra protection offered by

Documentary Credit against the cost and time advantages of using a non-negotiable sea waybill that can be processed electronically.

49. Here, the trader will need to consider the perceived business risks, which are different for the trader and the bank. For most traders, the main aim is business continuity so the greatest risk is interruption or delay in the trade flow. For the bank, the risks are about title, ownership and the recovery of funds.

50. Other considerations include documentary efficiency within the trade transaction, corporate policy on a move towards paperless trading and operational and logistical factors such as removing the risk of disruption to sensitive, just-in-time (often extended) production and supply chains.

Payments requirements - the use of negotiable transport documents

51. Significantly, in its description of the Documentary Credit, the International Chamber of Commerce does not require in all cases that the stipulated transport documents should be a negotiable “marine bill of lading”, and offers a number of options for agreement by the parties. However, there is a widely held view that banks encourage the use of negotiable documents even when these may not be appropriate to the trading pattern of sellers and buyers. Often banking practice will quote a specific reference to a negotiable bill of lading instead of a more generic term such as ‘usual transport document’.

52. To overcome this perception and provide clarity to all the parties involved in an international trade transaction, banks and other financial institutions should maintain a neutral position on maritime transport documents.

53. Seller and buyer should be able to select the maritime transport document that best meets the business needs of the trade transaction. The options available should only be restricted in instances **where it is known** that the goods will be traded in transit, or **where a contract of finance** demands a bill of lading as independent documentary security to protect the trade finance arrangement.

54. The sea waybill issued in accordance with the CMI (Comité Maritime International) Uniform Rules for Sea Waybills should meet the criteria for acceptability by banks, insurers and other financial institutions. A sea waybill endorsed “This waybill is issued subject to the CMI Uniform Rules for Sea Waybills” will give all parties recourse to the Hague and Hague-Visby Rules as if the document was a negotiable bill of lading.

Recommendation 12 (c)

55. **To banks, insurers and other financial institutions:** to appreciate the advantages and encourage the use of the non-negotiable sea waybill instead of the bill of lading whenever possible and feasible for the issuance of Documentary Credits and other payment instruments.

Government requirements - use of the negotiable transport document

56. Governments often demand commercial negotiable documents to perform secondary, quasi-official functions such as pre-shipment inspection, exchange-control procedures and customs clearance. This slows the smooth and efficient movement of goods and can contribute to port congestion and delays in delivery and, as a result, delay international trade flows and damage economic development and wealth creation.

57. The demand for a negotiable document to assist official controls has hindered the adoption of the sea waybill by the trading community. Where commercial information is needed by administrations to manage effective, proportionate controls, a non-negotiable maritime transport document can provide the data just as effectively as a negotiable version, especially a bill of lading.

58. In some countries, subregions and regions, legislation requires the presentation of a negotiable transport document to comply with all trade-related government processes and administrative procedures. The exclusion of the non-negotiable transport document when selected by the trading partners (and their trade services providers) can create additional burdens and costs in complying with more complex documentary requirements. To remove this barrier, Governments should review existing legal and regulatory instruments that currently necessitate the presentation of a negotiable maritime transport document.

Recommendation 12 (d)

59. **To Governments:** to encourage and accept the use of the sea waybill (or other non-negotiable documents) including its electronic equivalents and to ensure that national legislation does not prevent or hinder the use of such documents or the electronic exchange of its data.

Security of the international supply chain

60. Global trade is now conducted in a heightened security environment. Various initiatives to secure the international supply chain reflect the concerted, collaborative and coordinated effort by Governments and the business community to guarantee the integrity of international maritime transport.

61. In this more sensitive security environment, there are growing demands that a stated Consignee must be identified on the transport document. Often this cannot be provided on negotiable transport documents that, by their very nature as a document of title, are made out "to order" to facilitate the exchange of ownership of the goods during transit. Shipments where no consignee is specified attract suspicion. Use of sea waybills and other non-negotiable transport documents that identify the consignee would help to allay such suspicions and ensure goods pass smoothly through enhanced security related controls. This applies in all cases except where the trade warrants the use of negotiable documents.

Conclusion

62. Clearly there will always be the need for the negotiability aspect of the maritime transport document for certain trading patterns and commodities. Where and when these requirements occur UN/CEFACT appreciates and supports the proper use of such a document and procedures. However, many international transactions can be successfully completed using a sea waybill. Traders should seriously consider using this option and UN/CEFACT encourages its acceptance by all other parties in the international supply chain: trade service providers, carriers and the banking sector.

63. The Sea Waybill enjoys widespread and increasing recognition and support from:

- Comité Maritime International (CMI) - Uniform Rules for Sea Waybills.
- International Chamber of Commerce - Uniform Customs and Practice for Documentary Credits (UCP).

- English Law - Carriage of Goods by Sea Act 1971 and 1992.
- United States Law – Pomerene Act, 1916 (and any subsequent amendments).

64. UN/CEFACT commends Recommendation 12, with its four parts, to public administrations, agencies and authorities and all private-sector parties in the international supply chain.

Annex

List of international standards, and glossary of terms

International standards

International standards, conventions, instruments, norms and best practices referring to the documentary aspects of maritime transport in the international trade transaction:

- United Nations Recommendation 1 - Layout Key for Trade Documents
- United Nations Recommendation 18 – Facilitation Measures related to International Trade Procedures (Measure 4.4)
- UNCTAD/ICC Rules for multimodal transport documents (Rule 2.6)
- ICC – Incoterms, the ICC official rules for the interpretation of trade terms (latest version)
- ICC – Uniform Customs and Practice for Documentary Credits (latest version)
- Comite Maritime International (CMI) - Uniform Rules for Sea Waybills
- International Chamber of Shipping – ICS Standard Format of Bills of Lading, Definitive version
- International Convention for the Unification of Certain Rules of Law relating to Bills of Lading (Brussels, 25 August 1924) ("the Hague Rules"), and its Protocols ("the Hague-Visby Rules"),
- United Nations Convention on the Carriage of Goods by Sea (Hamburg, 31 March 1978) ("the Hamburg Rules")
- United Nations Convention on Contracts for the International Carriage of Goods Wholly or Partly by Sea (Rotterdam 11 December 2008) (the "Rotterdam Rules"), not yet entered into force.

Glossary of terms

Bill of Lading (B/L) - a document that evidences the contract of carriage and that the carrier has received the goods, in apparent good order, for shipment. The Bill of Lading is also a document of title (see below) that must be surrendered to the carrier in order to take delivery of the goods. Under the bill of lading the rights of the holder are not only evidenced by the document but are also embodied in the document. If the document is negotiable (i.e. made out "to order", or to the order of a named party, or to bearer) the rights embodied in the document can be transferred by delivery, with any necessary endorsement, of the document alone.

CFR - an Incoterm (see Incoterms).

CIF - an Incoterm (see Incoterms).

CIP - an Incoterm (see Incoterms).

Consignee - the named party having the legal right to claim the goods from the carrier at destination.

CPT - an Incoterm (see Incoterms).

Consignment - a shipment of specific goods traded between a seller and a buyer, and evidenced by a single set of maritime transport documents.

Document of Title - a document that evidences exclusive possessory rights to the goods and may enable transfer of legal ownership in the goods while in transit.

Documentary Credit (or Letter of Credit) - any arrangement, however named or described, whereby a bank acting at the request and on the instructions of a customer or on its own behalf, makes payment to or to the order of a third party or authorizes another bank to effect such payment, or authorizes another bank to negotiate, provided the stipulated document(s) fully meet the terms and conditions of the Credit.

Incoterms - a set of international standard trade terms created and maintained by the International Chamber of Commerce. Incoterms allow seller and buyer to agree the point at which cost and risk of transport are precisely divided, and allocate specific responsibilities.

ICC - International Chamber of Commerce, the world business organization.

Letter of Credit (L/C) - see Documentary Credit.

Manifest – a document that lists the specifications of the goods loaded in a (maritime) means of transport. A manifest represents the accumulation of the information from the transport documents related to a specific voyage of the means of transport. A manifest should be seen as an inventory of cargo carried on a specific voyage for official and administrative purposes, for example General Freight manifest, Dangerous Goods Manifest, Special Cargo manifest.

Maritime Transport Documents - evidence the movement of a consignment of goods between a seller and a buyer and complement, *but are entirely separate from*, the physical movement of the goods. Maritime transport documents can be either non-negotiable or negotiable.

Pre-shipment Inspection - an inspection conducted in the country of export. Most often required by the Government of the buyer's country and performed by an approved inspection agency. However, it can be a mutual agreement between the seller and the buyer. (See UN/CEFACT Recommendation 27 on Pre-shipment Inspection).

Sea waybill (SWB) - a non-negotiable document that evidences the contract of carriage and that the carrier has received the goods for shipment in apparent good order, and which identifies the person to whom the carrier is to deliver the goods. Unlike the bill of lading, the sea waybill only evidences the rights of the parties without embodying them in the document. The term sea waybill includes a number of equivalent documents where these are non-negotiable, such as: Waybill, Liner Waybill, Ocean Waybill, Data Freight Receipt and Cargo Receipt.

Through Bill of Lading - bill of lading which evidences a contract of carriage from one place to another in separate stages of which at least one stage is maritime transport, and by which the issuing carrier accepts responsibility for the carriage as set forth in the Trough Bill of Lading.

To order - the standard term that identifies the party who will nominate or specify the person and address to whom the goods are to be delivered.

Trusted Third Party (TTP) - a third party who provides the services to ensure secure communications (usually electronic) between two contracting parties.

UN/CEFACT - United Nations Centre for Trade Facilitation and Electronic Business.