

UNITED NATIONS
ECONOMIC AND SOCIAL COUNCIL

Distr.
GENERAL
E/ESCWA/C.1/15/4/Add.5
7 March 1989
ORIGINAL: ENGLISH

ECONOMIC AND SOCIAL COMMISSION FOR WESTERN ASIA

Technical Committee
Sixth session
13-15 May 1989
Baghdad

Item 6(a) of the provisional agenda

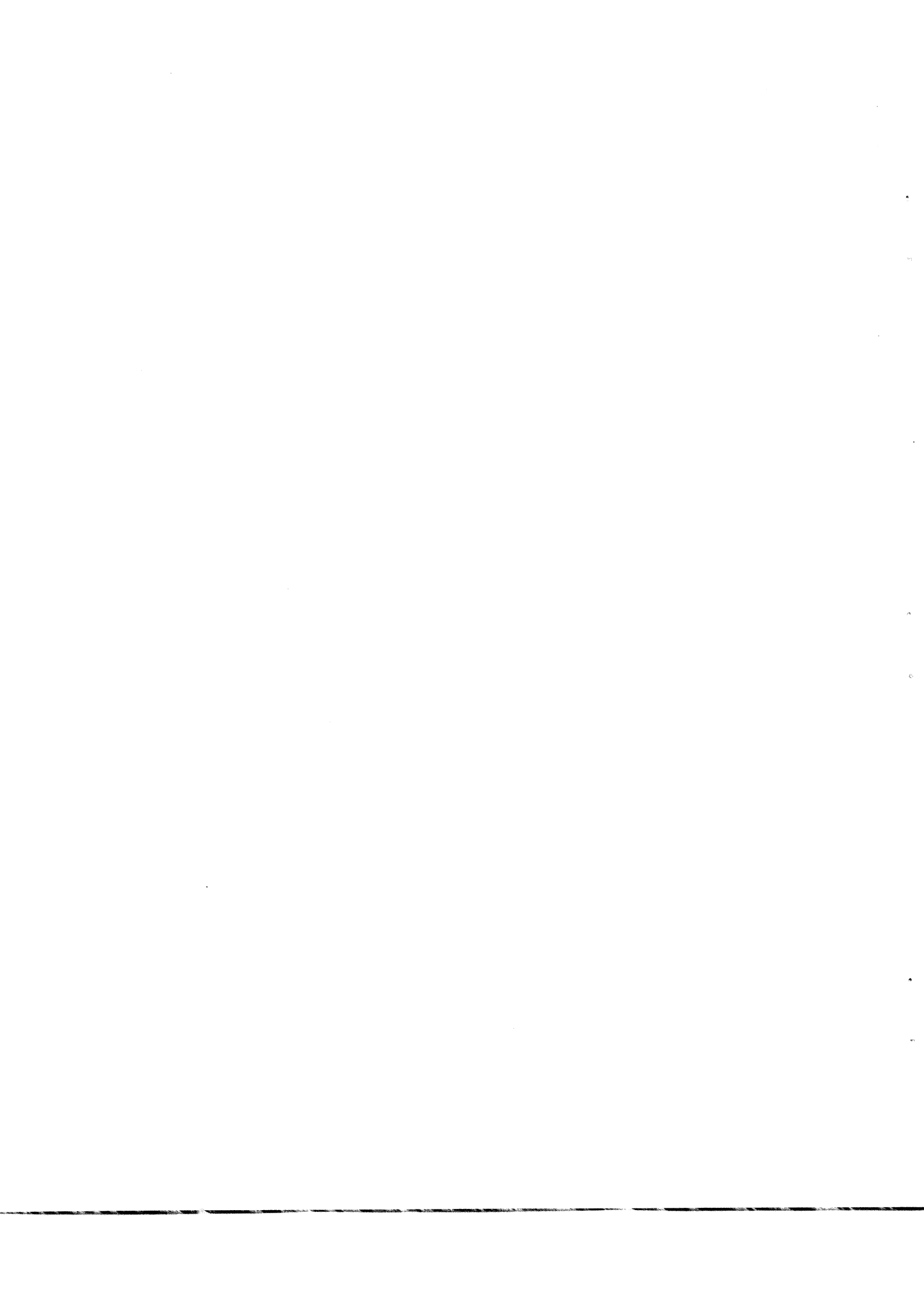
**REPORT OF THE EXECUTIVE SECRETARY
ON THE ACTIVITIES OF THE COMMISSION**

**PROGRESS MADE IN THE IMPLEMENTATION OF THE
PROGRAMME OF WORK FOR THE PERIOD 1988-1989**

Report on

the United Nations Convention on International
Multimodal Transport of Goods

**UN ECONOMIC AND SOCIAL COMMISSION
FOR WESTERN ASIA
MAY 03 1989
LIBRARY * DOCUMENT SECTION**



CONTENTS

	<u>Page</u>
Introduction.....	1
A. Multimodal transport and the Convention: a definition	2
B. Multimodal transport and containerization	2
C. Multimodal Transport Convention: a background	3
D. The scope of multimodal transport	4
E. Regulation of multimodal transport	7
F. Liability under multimodal contract	8
G. Accounts procedures	8
H. Accession	9
I. Conclusion	9

Annexes

I. List of tasks to be performed by the MTO when organizing door-to-door transport operations	10
II. United Nations Convention on International Multimodal Transport of Goods	16

Introduction

1. The purpose of this report is to apprise the Commission on the status of the United Nations Convention on International Multimodal Transport of Goods and to seek the support of the Commission in encouraging its application in the ESCWA region.
2. This Convention is an instrument designed to improve the flow of goods across borders and by more than one mode of transport. Its development was initiated by the willingness of transport operators, shippers, customs and other relevant authorities to develop ways and means to facilitate trade by providing the most cost-effective and time-saving arrangements for the conveyance of goods, through various modes, across international borders.
3. The number of conventions in force in the world today leads to confusion, as every few years new conventions are developed in the area of transport. Hence it is necessary, to avoid waste of resources, to examine the host of conventions and arrive at a consensus on a few manageable ones to regulate traffic flows among the trade partners and transited countries. On the initiative of the Economic Commission for Europe, an effort is being made to achieve this goal.
4. The present report, on the United Nations Convention on International Multimodal Transport of Goods is an attempt to examine the basic issues that would justify the application of this Convention in the ESCWA region.

A. Multimodal transport and the Convention: a definition

5. Multimodal transport is defined as "the carriage of goods by at least two different modes of transport on the basis of a multimodal transport contract from a place in one country at which the goods are taken in charge by the multimodal operator to a place designated for delivery situated in a different country".^{1/}

6. This definition sets the criteria for the definition of goods carried by international multimodal transport as follows:

(a) Two or more means of transport are used for the transportation of the goods;

(b) The goods are conveyed from one point in a country to a point in another country;

(c) The goods are conveyed under one contract, namely the multimodal transport (MT) contract, with the responsibility resting with one single contractor or multimodal transport operator (MTO).

7. Multimodal transport is a new technology in the sense that it adds a condition, namely the MT contract, which distinguishes it from other forms of transport technologies. Hence, the MT contract gave to multimodal transport special characteristics while intermodal transport, previously known as MT, does not have the same defining criteria.

8. Furthermore, multimodal transport, though old in its basic function, is new in the sense that it utilizes a comparatively modern transport technology, the container, which has developed over decades into a transport unit compatible with various modes of transport. The container system made, out of the various and segregated modes of transport, one integrated transport network whereby a container could be conveniently switched between two or more modes, resulting in sizeable savings in cost and time.

B. Multimodal transport and containerization

9. The container is the most efficient transport unit available in maritime and overland routes. It is particularly important in multimodal transport because of its convenience, ease of handling and cost effectiveness characteristics that make possible handling and transfer between modes in the most efficient way. The container traffic has stimulated the growth in multimodal transport over the past years and the trend is expected to continue.

10. Most of the traffic in the developed countries is being, or going to be, containerized. In the developing countries the trend towards containerization is increasing, especially in import traffic and to a lesser degree in export traffic. The increase in containerized traffic means increased dependence on multimodal transport.

^{1/} United Nations Conference on Trade and Development, United Nations Convention on International Multimodal Transport of Goods (TD/MT/CONF/16), article 1, para. 1, 10 June 1980. Also attached as annex II to the present report.

11. The relationship between multimodal transport and containerization is much more obvious in maritime transport, an area wherein container transport has undergone major expansion during the last two decades. While the growth in container traffic has been a major factor for change within the ports, the increasing tendency towards the use of large containers was the main factor behind the development of inland container depots as well as container depots within the ports.

12. The number of containers circulating around the world was estimated to have a total capacity of around 5 million twenty-foot equivalent units (TEUs) in 1987. Container traffic reached a volume of 18.3 million TEUs in 1975 and it is estimated that it will exceed 76 million TEUs by 1990. Port planners estimate that port facilities will be required to handle 114 million TEUs by the year 2000.

13. The amount of container traffic moved by road transport is not accounted for in most countries of the world and especially in the ESCWA region. To a great extent the statistics on container traffic only cover maritime transport. This was the norm in the past when container traffic was, to a large extent, a maritime transport traffic. Now a large portion of this traffic is moving on roads across Europe.

14. The volume of land transport in the ESCWA region has increased tremendously during the last few years. The reason for this was, mainly, the situation in the Gulf region and the effect of the Iran-Iraq war on the ports of the region. Container traffic by road, either directly from Europe or through the ports on the Red Sea, was one major transport option. This traffic was not accounted for in the statistics reflecting the volume of container traffic in the ESCWA region.

15. Container traffic moving over land and sea to complete one journey across international borders was one of the main factors in the development of several conventions to facilitate such traffic. One of these conventions is the one under consideration in this report.

C. Multimodal Transport Convention: a background

16. The development of multimodal transport from segregated networks into its modern form was made possible through the efforts of many regional and international organizations. United Nations agencies contributed to the development of multimodal transport through their efforts in the formulation of several conventions that led to the formulation of the Multimodal Transport Convention.

17. The legal work on multimodal transport began in the 1930s^{1/} and was continued by a number of international organizations, the most prominent among which were:

^{1/} See United Nations Conference on Trade and Development, United Nations Conference on a Convention on International Multimodal Transport, (TD/MT/CONF/17/Add.1), vol. II, Part One (New York, 1981).

- (a) International Institute for the Unification of Private Law (UNIDROIT);
- (b) International Chamber of Commerce (ICC);
- (c) International Maritime Committee (CMI);
- (d) Economic Commission for Europe (ECE);
- (e) Inter-governmental Maritime Consultative Organization (IMCO);
- (f) United Nations Conference on Trade and Development (UNCTAD).

18. Two round-table conferences convened in 1969 and 1970 drew up a draft convention on the international combined transport of goods (TCM Convention). This draft was modified by several amendments and then presented to the United Nations/IMCO Conference on International Container Traffic, held from 13 November to 2 December 1972.

19. The Economic and Social Council did not consider the TCM convention for adoption. Instead, the Council requested that a preliminary draft convention be elaborated on international intermodal transport. The council delegated this task to the Trade and Development Board by its resolution 1734 (LIV) of 10 January 1973.

20. The Trade and Development Board, by its decision 96(XII) of 10 May 1973, established a group with membership from 68 countries to prepare the draft convention; this group was known as the Intergovernmental Preparatory Group on a Convention on International Multimodal Transport. Several meetings were held between 1973 and 1979 and agreement was reached on a draft prepared on the basis of documentation submitted by UNCTAD. Finally the Intergovernmental Group adopted a text of a draft convention on international multimodal transport (TD/MT/Conf/1) for submission to the Trade and Development Board.

21. At the request of the Trade and Development Board, the Secretary-General of UNCTAD organized the United Nations Conference on a Convention on International Multimodal Transport in November 1979. At a resumed session, the Conference adopted the United Nations Convention on International Multimodal Transport of Goods on 24 May 1980.

22. Representatives of 71 countries signed the Final Act of the Conference. The signatories from the ESCWA region were Egypt, Iraq, Lebanon and the Syrian Arab Republic. The North African Arab signatories were Algeria, the Libyan Arab Jamahiriya, Morocco and Tunisia.

23. The Drafting Committee established by the Conference included the African group, Asian group (including Iraq from the ESCWA region), Latin American group, Western Europe, Eastern Europe and China. The adoption of the Convention on was made possible through the organizational work of UNCTAD.

D. The scope of multimodal transport

24. Multimodal transport covers all modes of transport including maritime, land and air transport. It involves the carriage of goods across borders by more than one means of transport under a single contract. In addition to international multimodal transport, it is also possible to consider what might be called national multimodal transport, the definition of which is the carriage of goods by more than one mode under a single contract within the same country. However, the present Convention does not consider this to be within the framework of multimodal transport, which it limits to international traffic.

25. The carrier's liability under unimodal transport differs with the different modes of transport. Under this type of carriage of goods, each carrier tends to limit the scope of his liability to the particular journey undertaken. Under the MT Convention, the period of responsibility of the multimodal operator is extended to cover the period from the time he receives the goods to the time of their delivery at the final destination.^{1/}

26. Through liability is recognized by the international conventions on land transport, such as CMR,^{2/} and is also recognized in practice through the co-operation between airlines. Problems arise when part of the journey is by maritime transport, since maritime law does not allow for through liability and hence any claim for compensation can be directed against each participating carrier.

27. The coverage of the MT operator's responsibility means that the shipper/consignee, in the event of loss, damage or delay in receiving goods, forwards his claim to the MT operator who took charge of the goods at the initial stage. The situation is different with unimodal transport, whereby the claimant, shipper/consignee has to track the point where the loss, damage or delay actually occurred and then forward his claim to the operator who undertook that specific part of the journey.

28. The importance of the Multimodal Transport Convention is clearly seen in the area of maritime transport, wherein most previous conventions and rules limited the liability of the carrier for loss or damage to the goods under his charge. CMI, UNIDROIT and ICC suggested the use of different multimodal transport documents with different liability systems. The present Convention avoided this by introducing a global system with MT documents applicable to various modes of transport.

29. The MT Convention gives the MT document legal form and global acceptance and moreover it identifies the MT operator as the person who assumes through liability for the traffic conveyed under the MT contract. This is particularly important, as the MT operator's liability extends beyond the limits of the liability of the sea carrier as stipulated by most previous conventions.

30. The MTO normally carries out a number of tasks associated with the transportation of the goods. The range of the services provided depends on the type of MTO and whether or not he is the owner of a transport mode and also on the type of container loads (see annex I). However, the most important tasks are the conclusion of the contract and the assumption of through liability irrespective of the number of transport modes used during the journey.

^{1/} Article 14(1) of the United Nations Convention on International Multimodal Transport of Goods (TD/MT/CONF/16), 10 June 1980.

^{2/} Convention on the Contract for the International Carriage of Goods by Road, done at Geneva on 19 May 1956. (United Nations, Treaty Series, vol. 399, p. 190).

31. The role played by the MTO makes him a key factor in the successful operation of multimodal transport. It goes without saying that in the absence of the MTO the whole chain of multimodal transport will not function and the transport operation will be broken down into segmented transport operations.

32. The MT Convention defines the MTO in the following terms:

"any person who on his own behalf or through another person acting on his behalf concludes a multimodal transport contract and who acts as a principal, not as an agent or on behalf of the consignor or of the carriers participating in the multimodal transport operations, and who assumes responsibility for the performance of the contract."^{1/}

Whether the definition of the MTO is to be taken as the one above or whether it has a wider sense, the fact remains that the role of the MTO is a decisive factor in the MT operation.

33. The establishment of MTOs in the ESCWA region is a prerequisite to the development of multimodal transport. Alternatively, the region will continue to be dependent on MTOs already established in developed countries with trade ties in the region. At any rate, the operations normally handled by the MTO would be, in his absence, handled by other agencies and under such circumstances time and cost savings would not be realized. Those agencies replacing the MTO would normally be subcontracted by him and alternatively would be offices operated by the consignors or consignees.

34. The MTO may be an owner of a transport fleet (vessel-operating MTO) or a specialized MTO who contracts the services of carriers and then organizes the services at both ends of the journey and at the intermediate levels whenever required. These services are sometimes organized by the consignors or major producers who assume, at certain levels, the role of the MTOs.

35. The MTO must be equipped with the necessary qualifications to handle the services with efficiency. The following are generally required:^{2/}

(a) Expertise

The MTO must have adequate experience of the transport market and trade facilitation procedures as well as regulations governing the operation across international borders and in the countries being served by him or his agents. The MTO must have knowledge of transport cost, tariffs and updated information on transport technologies and development.

(b) International or regional coverage

The MTO must have either a regional or an international network well organized and equipped with communication facilities to link the subsidiaries

^{1/} United Nations Conference on Trade and Development, United Nations Convention on International Multimodal Transport of Goods (TD/MT/CONF/16), article 1, para. 2, 10 June 1980.

^{2/} Ibid., Multimodal Transport Workshop Hand book, UNCTAD/UNDP, TRAINMAR (UNCTAD/SHIP/577) (Geneva, 1984).

or agents with the main office in order to facilitate the smooth functioning of the system.

(c) Financial capability

The MTO should be financially capable of meeting the financial requirements arising from the performance of the various operations he undertakes. Most important, the MTO must have the financial capability to pay for the loss or damage of goods, within the limits of his liability as stipulated in the multimodal contract. This is particularly important to build the trust of customers in the MTO business and guarantee its growth.

E. Regulation of multimodal transport

36. The MTO in each country is obliged to comply with the applicable law of the country. Furthermore, article 4 of the Multimodal Transport Convention states that "this Convention shall not affect, or be incompatible with, the application of any international convention or national law relating to the regulation and control of transport operations."^{1/}

37. Article 4 of the Convention also states in regard to State control that.

"This Convention shall not affect the right of each State to regulate and control at the national level multimodal transport operations and multimodal transport operators, including the right to take measures relating to consultations, especially before the introduction of new technologies and services, between multimodal transport operators, shippers, shippers' organizations and appropriate national authorities on terms and conditions of services; licensing of multimodal transport operators; participation in transport; and all other steps in the national economic and commercial interest."^{2/}

38. The above defines the status of the Convention in relation to the national law and regulations. Hence, in order to ensure compatibility of the Convention with the existing or newly adopted regulations, each contracting party should take appropriate measures to endorse the Convention within the framework of national laws or regulations.

39. The basic issue of recognizing the interests of the developing or third world countries is well elaborated in the preamble of the Convention, wherein the following is stated:

"that a fair balance of interests between developed and developing countries should be established and an equitable distribution of activities between these groups of countries should be attained in international multimodal transport."^{3/}

^{1/} United Nations Conference on Trade and Development, United Nations Convention on International Multimodal Transport of Goods (TD/MT/CONF/16), article 4, para. 1, 10 June 1980.

^{2/} Ibid., para, 2.

^{3/} Ibid., preamble.

40. The above agreement on a balance of interests stipulated by the Convention was reached during the early negotiating stages when countries met before adopting the Convention in May 1980. The second opportunity for negotiations is provided when countries come together to discuss amendments or add supplements to the Convention. During the first meetings and until the adoption of the convention, the various groups of countries, either collectively or individually, expressed their opinions on the draft convention before adopting it in its final form. The groups of countries included those belonging to the Group of 77 as well as a number of countries from the ESCWA region^{1/} and a number of North African Arab countries.^{2/} Hence the interests of the countries of the region were, supposedly, articulated through those member countries participating in the meetings and through the wider groups representing the developing countries.

F. Liability under multimodal contract

41. The responsibility of the multimodal operator for the goods covers the whole period during which the goods are in his charge, i.e. from the time he receives the goods from the consignor or his agent to the time of delivery to the authorized party. This remains true irrespective of the number of transport modes used or the number of points covered by the journey.

42. Article 18 of the Multimodal Transport Convention sets the limits of compensation to specified "units of account" in cases of delay, damage or loss of goods. A higher limit of liability is set in article 19 of the Convention and that applies to cases when, during a particular stage of the journey, another applicable convention or law is in force and provides for a higher liability limit.

43. Article 21 of the Convention states that the provisions concerning limitation of liability provided for in article (18) will not be applied if "the loss, damage or delay in delivery resulted from an act or omission of the multimodal transport operator done with the intent to cause such loss, damage or delay or recklessly and with knowledge that such loss, damage or delay would probably result." In such cases, the multimodal transport operator will be liable for such loss. The same applies to the agent of the multimodal transport operator if the loss is caused by any fault or neglect on his part.

G. Accounts procedures

44. Article 31 of the Multimodal Transport Convention defined the unit of account for the purposes of compensation as the Special Drawing Right unit. The method applied by the International Monetary Fund (IMF) in conversion of currencies would be applicable to contracting parties to the Convention who were members of the IMF. The same article also states the methods to be used in currency conversion for those contracting parties to the Convention who are not members of the IMF.

^{1/} Egypt, Iraq, Syrian Arab Republic and Lebanon.

^{2/} Algeria, Libyan Arab Jamahiriya, Morocco and Tunisia.

H. Accession

45. The Secretary-General of the United Nations was designated as depositary of the Convention by article 33 thereof. Article 34 stipulated that instruments of ratification, acceptance, approval and accession were to be deposited with the depositary. The Convention was open for accession by all States Members of the United Nations as well as for those regional organizations who are entitled to conclude agreements in fields covered the Convention.

I. Conclusion

46. The even flow of traffic across international borders is a key factor in the development of trade and economic co-operation among the countries in the various regions. The ESCWA region, in particular, needs to further the development of co-operation in this field in order to increase and facilitate the flow of goods within the region.

47. The United Nations Convention on Multimodal Transport of Goods is designed in a way that provides for the improvement of the flow of traffic and at the same time allows the countries to impose the necessary limits as required by the national authorities in each country.

48. This Convention should be considered together with other conventions dealing with customs and border formalities in order to ensure the optimum regulations and procedures to facilitate the flow of goods.

49. The ESCWA member countries would find it useful to study the Convention and, in consultative forums, could reach a consensus on the modalities of implementing this Convention in the ESCWA region. One such forum could be an intergovernmental meeting to submit and discuss recommendations regarding the Convention.

Annex I

LIST OF TASKS TO BE PERFORMED BY THE MTO WHEN ORGANIZING
 DOOR-TO-DOOR TRANSPORT OPERATIONS

FCL	LCL
1. Contact/negotiations between exporter/shipper and the MTO	1. Contact/negotiations between exporter/shipper and the MTO
1.1. Presentation by the exporter/shipper of all relevant information covering the project.	1.1. Presentation by the exporter/shipper of all relevant information covering the project.
1.1.1. Cargo commodity/commodities: ordinary cargo-reefer cargo-dangerous cargo, heavy lift etc.	1.1.1. Cargo commodity/commodities: ordinary cargo-reefer cargo-dangerous cargo, heavy lift etc.
1.1.2. Weight and measurements.	1.1.2. Weight and measurements
1.1.3. Packing details, material, strength, type	1.1.3. Packing details, material, strength, type
1.1.4. Marking	1.1.4. Marking
1.1.5. Place of shipment	
1.1.6. Port of loading	1.1.6. Port of loading
1.1.7. Port of discharge	1.1.7. Port of discharge
1.1.8. Final destination	1.1.8. Final destination
1.1.9. Delivery time according to sales contract	1.1.9. Delivery time according to sales contract
1.1.10. Delivery terms, INCOTERMS 1980 specifications	1.1.10. Delivery terms, INCOTERMS 1980 specifications
1.1.11. Payment terms - letter of credit conditions	1.1.11. Payment terms - letter of credit conditions
1.1.12. Insurance coverage and terms	1.1.12. Insurance coverage and terms
1.2. Transport quotation from MTO	1.2. Transport quotation from MTO
1.2.1. Presentation of company profile with reference to earlier completed transport contracts	1.2.1. Presentation of company profile with reference to earlier completed transport contracts
1.2.2. Feasibility study/local infrastructure/climatic conditions etc.	1.2.2. Feasibility study/local infrastructure/climatic conditions etc.
1.2.3. Presentation of transport combinations/alternatives sea/road/rail/air/inland water transportation	1.2.3. Presentation of transport combinations/alternatives sea/road/rail/air/inland water transportation

1.2.4. Specification of proposed carrier/local/overseas	1.2.4. Specification of proposed carrier/local/overseas
1.2.5. Expected total transit time	1.2.5. Expected total transit time
1.2.6. Offer for total transport operation door-to-door clearly stipulating transport route/routes, transshipment points, charges covered by the transport offer, charges not covered by the transport offer. Supervision of the transport operation during the various phases.	1.2.6. Offer for total transport operation door-to-door clearly stipulating transport route/routes, transshipment points, charges covered by the transport offer, charges not covered by the transport offer. Supervision of the transport operation during the various phases.
1.2.7. Payment of freight and charges. Cash payment or credit arrangements.	1.2.7. Payment of freight and charges. Cash payment or credit arrangements.
1.2.8. Conditions of carriage - use of transport documents - regulations and international transport law and rules.	1.2.8. Conditions of carriage - use of transport documents - regulations and international transport law and rules.
1.2.9. Local conditions and regulations for carriage of goods in country of destination	1.2.9. Local conditions and regulations for carriage of goods in country of destination
1.2.10. Customs regulations in country of destination	1.2.10. Customs regulations in country of destination
1.3. Concluding and issuance of final transport contract	1.3. Concluding and issuance of final transport contract
1.3.1. Negotiation of multimodal transport document stipulating all necessary details in order that the transport can safely be carried through to the final destination without misunderstandings.	1.3.1. Negotiation of multimodal transport document stipulating all necessary details in order that the transport can safely be carried through to the final destination without misunderstandings.
1.3.2. Transport contract is signed by both parties	1.3.2. Transport contract is signed by both parties

2. Project planning - time schedules	2. Project planning - time schedules
	2.1. Production and co-ordination of project - dates
2.2. Assembly and packing of cargo - dates	2.2. Assembly and packing of cargo - dates
2.3. Delivery time for shipment - dates	2.3. Delivery time for shipment - dates
2.4. Transport phase - From place of shipment to final delivery - dates. Means of transport - dates. Transshipment points - dates.	2.4. Transport phase - From place of shipment to final delivery - dates. Means of transport - dates. Transshipment points - dates.
2.5. Final delivery at destination - dates	2.5. Final delivery at destination - dates

3. Contracts with sub-contractors	3. Contracts with sub-contractors
3.1. Local inland transport - country of shipment	3.1. Local inland transport - country of shipment
3.2. Local terminal work	3.2. Local terminal work
3.3. Feeder transport	3.3. Feeder transport
3.4. Loading costs/terminal port of loading	3.4. Loading costs/terminal port of loading
3.5. Sea transport	3.5. Sea transport
3.6. Discharging costs/terminal port of discharge	3.6. Discharging costs/terminal port of discharge
3.7. Local inland transport - country of transit/destination	3.7. Local inland transport - country of transit/destination
3.8. Possible customs clearance and transit documentation	3.8. Possible customs clearance and transit documentation
	3.9. Loading and overland transport to final destination
3.10. Final customs clearance and delivery of cargo	3.10. Final customs clearance and delivery of cargo
3.11. Assessment of responsibilities for the various sub-contractors in relation to each other and the total transport operation and payment of additional costs or charges if any.	3.11. Assessment of responsibilities for the various sub-contractors in relation to each other and the total transport operation and payment of additional costs or charges if any.

4. Actual shipment	4. Actual shipment
4.1. Supply of clean containers and/or other types of unit loads ready for use at shippers' premises	
	4.2. Loading and stowage of cargo into containers and/or other unit loads
	4.3. Checking that the cargo loaded in the containers or unit loads are in accordance with shippers' packinglists/invoice, i.e.: number of packages, weight, volume, short shipment/possible damage, ordinary cargo - reefer - dangerous - heavy lift etc.
4.4.1. Issuance of multimodal transport documents in exchange of payment of freight (prepaid)	4.4.1. Issuance of multimodal transport documents in exchange of payment of freight (prepaid)
4.4.1.2. Issuance of multimodal transport documents without freight payment (collect)	4.4.1.2. Issuance of multimodal transport documents without freight payment (collect)

	4.4.2. Issuance of other transport documents, loading receipts, customs documents, certificates etc.
4.4.3. Issuance of transport documents between the MTO and the other transport sub-contractors	4.4.3. Issuance of transport documents between the MTO and the other transport sub-contractors
4.5. Shipment if effected	4.5. Shipment if effected
4.6. Follow up on: Road haulier/inland transport operator; Terminal operator; Feeder operator; Loading operation on-board ocean carrier; Checking of container/unit load conditions/lock/seal.	4.6. Follow up on: Road haulier/inland transport operator; Terminal operator; Feeder operator; Loading operation on-board ocean carrier; Checking of container/unit load conditions/lock/seal.

5. Actual transport operation	5. Actual transport operation
5.1. Follow up on actual shipment	5.1. Follow up on actual shipment
5.2. Check on date of shipment, expected date of arrival - possible delays	5.2. Check on date of shipment, expected date of arrival - possible delays
5.3. Issuance of explicit instructions to receiving agents/forwarding agents/carriers agents at port of discharge	5.3. Issuance of explicit instructions to receiving agents/forwarding agents/carriers agents at port of discharge
5.3.1. Discharge of goods at port of discharge	5.3.1. Discharge of goods at port of discharge
5.3.2. Terminal work	5.3.2. Terminal work
5.3.3. Customs procedure and documentation	5.3.3. Customs procedure and documentation
5.3.4. Calling forward and checking on onward transportation of cargo by road or rail	5.3.4. Calling forward and checking on onward transportation of cargo by road or rail
5.4. Arrival of shipment at port of discharge	5.4. Arrival of shipment at port of discharge
5.4.1. Follow up and execution of planned procedure through supervisory staff	5.4.1. Follow up and execution of planned procedure through supervisory staff
5.4.2. Actual discharge	5.4.2. Actual discharge
5.4.3. Loading operation inland carrier	5.4.3. Loading operation inland carrier
5.4.4. Checking out possible damage	5.4.4. Checking out possible damage

5.4.5. Checking on all relevant documents	5.4.5. Checking on all relevant documents
5.4.6. Shipment continues	5.4.6. Shipment continues
5.5. Arrival of shipment at final destination	5.5. Arrival of shipment at final destination
5.5.1. Receiver will produce original multimodal transport document properly endorsed, if necessary, or in lieu of original MT document, a bank guaranteed indemnity, indemnifying the carrier against any claim on releasing the cargo	5.5.1. Receiver will produce original multimodal transport document properly endorsed, if necessary, or in lieu of original MT document, a bank guaranteed indemnity, indemnifying the carrier against any claim on releasing the cargo
5.5.2. Arrival of cargo at local terminal/shippers premises	5.5.2. Arrival of cargo at local terminal/shippers premises
5.5.3. Receiver will produce necessary documents for customs clearance	5.5.3. Receiver will produce necessary documents for customs clearance
5.5.4. Cargo is subsequently inspected and cleared by customs officers	5.5.4. Cargo is subsequently inspected and cleared by customs officers
5.5.5. Customs duty and charges are paid	5.5.5. Customs duty and charges are paid
5.5.6. Containers or unit loads with cargo are thereafter delivered at receivers premises	5.5.6. Containers or unit loads with cargo are thereafter delivered at receivers premises
5.6. Unloading procedure	5.6. Unloading procedure
5.6.1. Check on: Contents of cargo; Number of packages; Weight and measurement; Possible sign of damage, pilferage and/or theft	5.6.1. Check on: Contents of cargo; Number of packages; Weight and measurement; Possible sign of damage, pilferage and/or theft
5.6.2. Final acceptance of cargo by receiver, who will sign the waybill as evidence of clean receipt	5.6.2. Final acceptance of cargo by receiver, who will sign the waybill as evidence of clean receipt
5.7. In case of damage to the cargo	5.7. In case of damage to the cargo
5.7.1. Lloyd's cargo surveyor to be called for inspection of cargo	5.7.1. Lloyd's cargo surveyor to be called for inspection of cargo
5.7.2. Damage report is made out, whereafter insurance company is notified	5.7.2. Damage report is made out, whereafter insurance company is notified
5.7.3. Issuance of relevant documentation making specific carrier/agents/forwarding agents or other parties responsible for their obligations for the transportation/clearing/handling and oncarriage of the goods	5.7.3. Issuance of relevant documentation making specific carrier/agents/forwarding agents or other parties responsible for their obligations for the transportation/clearing/handling and oncarriage of the goods

5.7.4. Possible claims are handled and negotiated and concluded	5.7.4. Possible claims are handled and negotiated and concluded
5.7.5. When settlement has been reached, payment of settled amount is made either to shipper or receiver according to the agreed conditions	5.7.5. When settlement has been reached, payment of settled amount is made either to shipper or receiver according to the agreed conditions
5.7.6. Final settlement between MTO/carriers/agents/forwarding agents and clearing and handling parties/insurance company	5.7.6. Final settlement between MTO/carriers/agents/forwarding agents and clearing and handling parties/insurance company
5.8. Shipment finally concluded	5.8. Shipment finally concluded
5.8.1. Follow with shipper/receiver - presentation of invoices covering expenditures which were not covered by the transport contract	5.8.1. Follow with shipper/receiver - presentation of invoices covering expenditures which were not covered by the transport contract

Annex II

UNITED NATIONS CONVENTION ON INTERNATIONAL
MULTIMODAL TRANSPORT OF GOODS

The States parties to this Convention,

Recognizing:

(a) That international multimodal transport is one means of facilitating the orderly expansion of world trade;

(b) The need to stimulate the development of smooth, economic and efficient multimodal transport services adequate to the requirements of the trade concerned;

(c) The desirability of ensuring the orderly development of international multimodal transport in the interest of all countries and the need to consider the special problems of transit countries;

(d) The desirability of determining certain rules relating to the carriage of goods by international multimodal transport contracts, including equitable provisions concerning the liability of multimodal transport operators;

(e) The need that this Convention should not affect the application of any international convention or national law relating to the regulation and control of transport operations;

(f) The right of each State to regulate and control at the national level multimodal transport operators and operations;

(g) The need to have regard to the special interest and problems of developing countries, for example, as regards introduction of new technologies, participation in multimodal services of their national carriers and operators, cost efficiency thereof and maximum use of local labour and insurance;

(h) The need to ensure a balance of interests between suppliers and users of multimodal transport services;

(i) The need to facilitate customs procedures with due consideration to the problems of transit countries;

Agreeing to the following basic principles:

(a) That a fair balance of interests between developed and developing countries should be established and an equitable distribution of activities between these groups of countries should be attained in international multimodal transport;

(b) That consultation should take place on terms and conditions of service, both before and after the introduction of any new technology in the multimodal transport of goods, between the multimodal transport operator, shippers, shippers' organizations and appropriate national authorities;

(c) The freedom for shippers to choose between multimodal and segmented transport services;

(d) That the liability of the multimodal transport operator under this Convention should be based on the principle of presumed fault or neglect;

Have decided to conclude a Convention for this purpose and have thereto agreed as follows:

PART I

General provisions

Article 1

DEFINITIONS

For the purposes of this Convention:

1. "International multimodal transport" means the carriage of goods by at least two different modes of transport on the basis of a multimodal transport contract from a place in one country at which the goods are taken in charge by the multimodal transport operator to a place designated for delivery situated in a different country. The operations of pick-up and delivery of goods carried out in the performance of a unimodal transport contract, as defined in such contract, shall not be considered as international multimodal transport.

2. "Multimodal transport operator" means any person who on his own behalf or through another person acting on his behalf concludes a multimodal transport contract and who acts as a principal, not as an agent or on behalf of the consignor or of the carriers participating in the multimodal transport operations, and who assumes responsibility for the performance of the contract.

3. "Multimodal transport contract" means a contract whereby a multimodal transport operator undertakes, against payment of freight, to perform or to procure the performance of international multimodal transport.

4. "Multimodal transport document" means a document which evidences a multimodal transport contract, the taking in charge of the goods by the multimodal transport operator, and an undertaking by him to deliver the goods in accordance with the terms of that contract.

5. "Consignor" means any person by whom or in whose name or on whose behalf a multimodal transport contract has been concluded with the multimodal transport operator, or any person by whom or in whose name or on whose behalf the goods are actually delivered to the multimodal transport operator in relation to the multimodal transport contract.

6. "Consignee" means the person entitled to take delivery of the goods.

7. "Goods" includes any container, pallet or similar article of transport or packaging, if supplied by the consignor.

8. "International convention" means an international agreement concluded among States in written form and governed by international law.

9. "Mandatory national law" means any statutory law concerning carriage of goods the provisions of which cannot be departed from by contractual stipulation to the detriment of the consignor.

10. "Writing" means, *inter alia*, telegram or telex.

Article 2

SCOPE OF APPLICATION

The provisions of this Convention shall apply to all contracts of multimodal transport between places in two States, if:

(a) The place for the taking in charge of the goods by the multimodal transport operator as provided for in the multimodal transport contract is located in a Contracting State, or

(b) The place for delivery of the goods by the multimodal transport operator as provided for in the multimodal transport contract is located in a Contracting State.

Article 3

MANDATORY APPLICATION

1. When a multimodal transport contract has been concluded which according to article 2 shall be governed

by this Convention, the provisions of this Convention shall be mandatorily applicable to such contract.

2. Nothing in this Convention shall affect the right of the consignor to choose between multimodal transport and segmented transport.

Article 4

REGULATION AND CONTROL OF MULTIMODAL TRANSPORT

1. This Convention shall not affect, or be incompatible with, the application of any international convention or national law relating to the regulation and control of transport operations.

2. This Convention shall not affect the right of each State to regulate and control at the national level multimodal transport operations and multimodal transport operators, including the right to take measures relating to consultations, especially before the introduction of new technologies and services, between multimodal transport operators, shippers, shippers' organizations and appropriate national authorities on terms and conditions of service; licensing of multimodal transport operators; participation in transport; and all other steps in the national economic and commercial interest.

3. The multimodal transport operator shall comply with the applicable law of the country in which he operates and with the provisions of this Convention.

PART II

Documentation

Article 5

ISSUE OF MULTIMODAL TRANSPORT DOCUMENT

1. When the goods are taken in charge by the multimodal transport operator, he shall issue a multimodal transport document which, at the option of the consignor, shall be in either negotiable or non-negotiable form.

2. The multimodal transport document shall be signed by the multimodal transport operator or by a person having authority from him.

3. The signature on the multimodal transport document may be in handwriting, printed in facsimile, perforated, stamped, in symbols, or made by any other mechanical or electronic means, if not inconsistent with the law of the country where the multimodal transport document is issued.

4. If the consignor so agrees, a non-negotiable multimodal transport document may be issued by making use of any mechanical or other means preserving a record of the particulars stated in article 8 to be contained in the multimodal transport document. In such a case the multimodal transport operator, after having taken the goods in charge, shall deliver to the consignor a readable document containing all the particulars so recorded, and such document shall for the purposes of the provisions of this Convention be deemed to be a multimodal transport document.

Article 6

NEGOTIABLE MULTIMODAL TRANSPORT DOCUMENT

1. Where a multimodal transport document is issued in negotiable form:

- (a) It shall be made out to order or to bearer;
- (b) If made out to order it shall be transferable by endorsement;
- (c) If made out to bearer it shall be transferable without endorsement;
- (d) If issued in a set of more than one original it shall indicate the number of originals in the set;
- (e) If any copies are issued each copy shall be marked "non-negotiable copy".

2. Delivery of the goods may be demanded from the multimodal transport operator or a person acting on his behalf only against surrender of the negotiable multimodal transport document duly endorsed where necessary.

3. The multimodal transport operator shall be discharged from his obligation to deliver the goods if, where a negotiable multimodal transport document has been issued in a set of more than one original, he or a person acting on his behalf has in good faith delivered the goods against surrender of one of such originals.

Article 7

NON-NEGOTIABLE MULTIMODAL TRANSPORT DOCUMENT

1. Where a multimodal transport document is issued in non-negotiable form it shall indicate a named consignee.

2. The multimodal transport operator shall be discharged from his obligation to deliver the goods if he makes delivery thereof to the consignee named in such non-negotiable multimodal transport document or to such other person as he may be duly instructed, as a rule, in writing.

Article 8

CONTENTS OF THE MULTIMODAL TRANSPORT DOCUMENT

1. The multimodal transport document shall contain the following particulars:

- (a) The general nature of the goods, the leading marks necessary for identification of the goods, an express statement, if applicable, as to the dangerous character of the goods, the number of packages or pieces, and the gross weight of the goods or their quantity otherwise expressed, all such particulars as furnished by the consignor;
- (b) The apparent condition of the goods;
- (c) The name and principal place of business of the multimodal transport operator;
- (d) The name of the consignor;
- (e) The consignee, if named by the consignor;
- (f) The place and date of taking in charge of the goods by the multimodal transport operator;

- (g) The place of delivery of the goods;
- (h) The date or the period of delivery of the goods at the place of delivery, if expressly agreed upon between the parties:

- (i) A statement indicating whether the multimodal transport document is negotiable or non-negotiable;

- (j) The place and date of issue of the multimodal transport document;

- (k) The signature of the multimodal transport operator or of a person having authority from him;

- (l) The freight for each mode of transport, if expressly agreed between the parties, or the freight, including its currency, to the extent payable by the consignee or other indication that freight is payable by him.

- (m) The intended journey route, modes of transport and places of transshipment, if known at the time of issuance of the multimodal transport document;

- (n) The statement referred to in paragraph 3 of article 28;

- (o) Any other particulars which the parties may agree to insert in the multimodal transport document, if not inconsistent with the law of the country where the multimodal transport document is issued.

2. The absence from the multimodal document of one or more of the particulars referred to in paragraph 1 of this article shall not affect the legal character of the document as a multimodal transport document provided that it nevertheless meets the requirements set out in paragraph 4 of article 1.

Article 9

RESERVATIONS IN THE MULTIMODAL TRANSPORT DOCUMENT

1. If the multimodal transport document contains particulars concerning the general nature, leading marks, number of packages or pieces, weight or quantity of the goods which the multimodal transport operator or a person acting on his behalf knows, or has reasonable grounds to suspect, do not accurately represent the goods actually taken in charge, or if he has no reasonable means of checking such particulars, the multimodal transport operator or a person acting on his behalf shall insert in the multimodal transport document a reservation specifying these inaccuracies, grounds of suspicion or the absence of reasonable means of checking.

2. If the multimodal transport operator or a person acting on his behalf fails to note on the multimodal transport document the apparent condition of the goods, he is deemed to have noted on the multimodal transport document that the goods were in apparent good condition.

Article 10

EVIDENTIARY EFFECT OF THE MULTIMODAL TRANSPORT DOCUMENT

Except for particulars in respect of which and to the extent to which a reservation permitted under article 9 has been entered:

PART III

Liability of the multimodal transport operator

Article 14

PERIOD OF RESPONSIBILITY

1. The responsibility of the multimodal transport operator for the goods under this Convention covers the period from the time he takes the goods in his charge to the time of their delivery.

2. For the purpose of this article, the multimodal transport operator is deemed to be in charge of the goods:

(a) From the time he has taken over the goods from:

(i) The consignor or a person acting on his behalf; or

(ii) An authority or other third party to whom, pursuant to law or regulations applicable at the place of taking in charge, the goods must be handed over for transport;

(b) Until the time he has delivered the goods:

(i) By handing over the goods to the consignee; or

(ii) In cases where the consignee does not receive the goods from the multimodal transport operator, by placing them at the disposal of the consignee in accordance with the multimodal transport contract or with the law or with the usage of the particular trade applicable at the place of delivery; or

(iii) By handing over the goods to an authority or other third party to whom, pursuant to law or regulations applicable at the place of delivery, the goods must be handed over.

3. In paragraphs 1 and 2 of this article, reference to the multimodal transport operator shall include his servants or agents or any other person of whose services he makes use for the performance of the multimodal transport contract, and reference to the consignor or consignee shall include their servants or agents.

Article 15

THE LIABILITY OF THE MULTIMODAL TRANSPORT OPERATOR FOR HIS SERVANTS, AGENTS AND OTHER PERSONS

Subject to article 21, the multimodal transport operator shall be liable for the acts and omissions of his servants or agents, when any such servant or agent is acting within the scope of his employment, or of any other person of whose services he makes use for the performance of the multimodal transport contract, when such person is acting in the performance of the contract, as if such acts and omissions were his own.

Article 16

BASIS OF LIABILITY

1. The multimodal transport operator shall be liable for loss resulting from loss of or damage to the goods, as

(a) The multimodal transport document shall be *prima facie* evidence of the taking in charge by the multimodal transport operator of the goods as described therein; and

(b) Proof to the contrary by the multimodal transport operator shall not be admissible if the multimodal transport document is issued in negotiable form and has been transferred to a third party, including a consignee, who has acted in good faith in reliance on the description of the goods therein.

Article 11

LIABILITY FOR INTENTIONAL MISSTATEMENTS OR OMISSIONS

When the multimodal transport operator, with intent to defraud, gives in the multimodal transport document false information concerning the goods or omits any information required to be included under paragraph 1 (a) or (b) of article 8 or under article 9, he shall be liable, without the benefit of the limitation of liability provided for in this Convention, for any loss, damage or expenses incurred by a third party, including a consignee, who acted in reliance on the description of the goods in the multimodal transport document issued.

Article 12

GUARANTEE BY THE CONSIGNOR

1. The consignor shall be deemed to have guaranteed to the multimodal transport operator the accuracy, at the time the goods were taken in charge by the multimodal transport operator, of particulars relating to the general nature of the goods, their marks, number, weight and quantity and, if applicable, to the dangerous character of the goods, as furnished by him for insertion in the multimodal transport document.

2. The consignor shall indemnify the multimodal transport operator against loss resulting from inaccuracies in or inadequacies of the particulars referred to in paragraph 1 of this article. The consignor shall remain liable even if the multimodal transport document has been transferred by him. The right of the multimodal transport operator to such indemnity shall in no way limit his liability under the multimodal transport contract to any person other than the consignor.

Article 13

OTHER DOCUMENTS

The issue of the multimodal transport document does not preclude the issue, if necessary, of other documents relating to transport or other services involved in international multimodal transport, in accordance with applicable international conventions or national law. However, the issue of such other documents shall not affect the legal character of the multimodal transport document.

well as from delay in delivery, if the occurrence which caused the loss, damage or delay in delivery took place while the goods were in his charge as defined in article 14, unless the multimodal transport operator proves that he, his servants or agents or any other person referred to in article 15 took all measures that could reasonably be required to avoid the occurrence and its consequences.

2. Delay in delivery occurs when the goods have not been delivered within the time expressly agreed upon or, in the absence of such agreement, within the time which it would be reasonable to require of a diligent multimodal transport operator, having regard to the circumstances of the case.

3. If the goods have not been delivered within 90 consecutive days following the date of delivery determined according to paragraph 2 of this article, the claimant may treat the goods as lost.

Article 17

CONCURRENT CAUSES

Where fault or neglect on the part of the multimodal transport operator, his servants or agents or any other person referred to in article 15 combines with another cause to produce loss, damage or delay in delivery, the multimodal transport operator shall be liable only to the extent that the loss, damage or delay in delivery is attributable to such fault or neglect, provided that the multimodal transport operator proves the part of the loss, damage or delay in delivery not attributable thereto.

Article 18

LIMITATION OF LIABILITY

1. When the multimodal transport operator is liable for loss resulting from loss of or damage to the goods according to article 16, his liability shall be limited to an amount not exceeding 920 units of account per package or other shipping unit or 2.75 units of account per kilogram of gross weight of the goods lost or damaged, whichever is the higher.

2. For the purpose of calculating which amount is the higher in accordance with paragraph 1 of this article, the following rules apply:

(a) Where a container, pallet or similar article of transport is used to consolidate goods, the packages or other shipping units enumerated in the multimodal transport document as packed in such article of transport are deemed packages or shipping units. Except as aforesaid, the goods in such article of transport are deemed one shipping unit.

(b) In cases where the article of transport itself has been lost or damaged, that article of transport, if not owned or otherwise supplied by the multimodal transport operator, is considered one separate shipping unit.

3. Notwithstanding the provisions of paragraphs 1 and 2 of this article, if the international multimodal transport does not, according to the contract, include

carriage of goods by sea or by inland waterways, the liability of the multimodal transport operator shall be limited to an amount not exceeding 8.33 units of account per kilogram of gross weight of the goods lost or damaged.

4. The liability of the multimodal transport operator for loss resulting from delay in delivery according to the provisions of article 16 shall be limited to an amount equivalent to two and a half times the freight payable for the goods delayed, but not exceeding the total freight payable under the multimodal transport contract.

5. The aggregate liability of the multimodal transport operator, under paragraphs 1 and 4 or paragraphs 3 and 4 of this article, shall not exceed the limit of liability for total loss of the goods as determined by paragraph 1 or 3 of this article.

6. By agreement between the multimodal transport operator and the consignor, limits of liability exceeding those provided for in paragraphs 1, 3 and 4 of this article may be fixed in the multimodal transport document.

7. "Unit of account" means the unit of account mentioned in article 31.

Article 19

LOCALIZED DAMAGE

When the loss of or damage to the goods occurred during one particular stage of the multimodal transport, in respect of which an applicable international convention or mandatory national law provides a higher limit of liability than the limit that would follow from application of paragraphs 1 to 3 of article 18, then the limit of the multimodal transport operator's liability for such loss or damage shall be determined by reference to the provisions of such convention or mandatory national law.

Article 20

NON-CONTRACTUAL LIABILITY

1. The defences and limits of liability provided for in this Convention shall apply in any action against the multimodal transport operator in respect of loss resulting from loss of or damage to the goods, as well as from delay in delivery, whether the action be founded in contract, in tort or otherwise.

2. If an action in respect of loss resulting from loss of or damage to the goods or from delay in delivery is brought against the servant or agent of the multimodal transport operator, if such servant or agent proves that he acted within the scope of his employment, or against any other person of whose services he makes use for the performance of the multimodal transport contract, if such other person proves that he acted within the performance of the contract, the servant or agent of such other person shall be entitled to avail himself of the defences and limits of liability which the multimodal transport operator is entitled to invoke under this Convention.

3. Except as provided in article 21, the aggregate of the amounts recoverable from the multimodal transport

operator and from a servant or agent or any other person of whose services he makes use for the performance of the multimodal transport contract shall not exceed the limits of liability provided for in this Convention.

Article 21

LOSS OF THE RIGHT TO LIMIT LIABILITY

1. The multimodal transport operator is not entitled to the benefit of the limitation of liability provided for in this Convention if it is proved that the loss, damage or delay in delivery resulted from an act or omission of the multimodal transport operator done with the intent to cause such loss, damage or delay or recklessly and with knowledge that such loss, damage or delay would probably result.

2. Notwithstanding paragraph 2 of article 20, a servant or agent of the multimodal transport operator or other person of whose services he makes use for the performance of the multimodal transport contract is not entitled to the benefit of the limitation of liability provided for in this Convention if it is proved that the loss, damage or delay in delivery resulted from an act or omission of such servant, agent or other person, done with the intent to cause such loss, damage or delay or recklessly and with knowledge that such loss, damage or delay would probably result.

PART IV

Liability of the consignor

Article 22

GENERAL RULE

The consignor shall be liable for loss sustained by the multimodal transport operator if such loss is caused by the fault or neglect of the consignor, or his servants or agents when such servants or agents are acting within the scope of their employment. Any servant or agent of the consignor shall be liable for such loss if the loss is caused by fault or neglect on his part.

Article 23

SPECIAL RULES ON DANGEROUS GOODS

1. The consignor shall mark or label in a suitable manner dangerous goods as dangerous.

2. Where the consignor hands over dangerous goods to the multimodal transport operator or any person acting on his behalf, the consignor shall inform him of the dangerous character of the goods and, if necessary, the precautions to be taken. If the consignor fails to do so and the multimodal transport operator does not otherwise have knowledge of their dangerous character:

(a) The consignor shall be liable to the multimodal transport operator for all loss resulting from the shipment of such goods; and

(b) The goods may at any time be unloaded, destroyed or rendered innocuous, as the circumstances may require, without payment of compensation.

3. The provisions of paragraph 2 of this article may not be invoked by any person if during the multimodal transport he has taken the goods in his charge with knowledge of their dangerous character.

4. If, in cases where the provisions of paragraph 2 (b) of this article do not apply or may not be invoked, dangerous goods become an actual danger to life or property, they may be unloaded, destroyed or rendered innocuous, as the circumstances may require, without payment of compensation except where there is an obligation to contribute in general average or where the multimodal transport operator is liable in accordance with the provisions of article 16.

PART V

Claims and actions

Article 24

NOTICE OF LOSS, DAMAGE OR DELAY

1. Unless notice of loss or damage, specifying the general nature of such loss or damage, is given in writing by the consignee to the multimodal transport operator not later than the working day after the day when the goods were handed over to the consignee, such handing over is *prima facie* evidence of the delivery by the multimodal transport operator of the goods as described in the multimodal transport document.

2. Where the loss or damage is not apparent, the provisions of paragraph 1 of this article apply correspondingly if notice in writing is not given within six consecutive days after the day when the goods were handed over to the consignee.

3. If the state of the goods at the time they were handed over to the consignee has been the subject of a joint survey or inspection by the parties or their authorized representatives at the place of delivery, notice in writing need not be given of loss or damage ascertained during such survey or inspection.

4. In the case of any actual or apprehended loss or damage the multimodal transport operator and the consignee shall give all reasonable facilities to each other for inspecting and tallying the goods.

5. No compensation shall be payable for loss resulting from delay in delivery unless notice has been given in writing to the multimodal transport operator within 60 consecutive days after the day when the goods were delivered by handing over to the consignee or when the consignee has been notified that the goods have been delivered in accordance with paragraph 2 (b) (ii) or (iii) of article 14.

6. Unless notice of loss or damage, specifying the general nature of the loss or damage, is given in writing by the multimodal transport operator to the consignor not later than 90 consecutive days after the occurrence of such loss or damage or after the delivery of the goods in accordance with paragraph 2 (b) of article 14, whichever is later, the failure to give such notice is *prima facie*

evidence that the multimodal transport operator has sustained no loss or damage due to the fault or neglect of the consignor, his servants or agents.

7. If any of the notice periods provided for in paragraphs 2, 5 and 6 of this article terminates on a day which is not a working day at the place of delivery, such period shall be extended until the next working day.

8. For the purpose of this article, notice given to a person acting on the multimodal transport operator's behalf, including any person of whose services he makes use at the place of delivery, or to a person acting on the consignor's behalf, shall be deemed to have been given to the multimodal transport operator, or to the consignor, respectively.

Article 25

LIMITATION OF ACTIONS

1. Any action relating to international multimodal transport under this Convention shall be time-barred if judicial or arbitral proceedings have not been instituted within a period of two years. However, if notification in writing, stating the nature and main particulars of the claim, has not been given within six months after the day when the goods were delivered or, where the goods have not been delivered, after the day on which they should have been delivered, the action shall be time-barred at the expiry of this period.

2. The limitation period commences on the day after the day on which the multimodal transport operator has delivered the goods or part thereof or, where the goods have not been delivered, on the day after the last day on which the goods should have been delivered.

3. The person against whom a claim is made may at any time during the running of the limitation period extend that period by a declaration in writing to the claimant. This period may be further extended by another declaration or declarations.

4. Provided that the provisions of another applicable international convention are not to the contrary, a recourse action for indemnity by a person held liable under this Convention may be instituted even after the expiration of the limitation period provided for in the preceding paragraphs if instituted within the time allowed by the law of the State where proceedings are instituted; however, the time allowed shall not be less than 90 days commencing from the day when the person instituting such action for indemnity has settled the claim or has been served with process in the action against himself.

Article 26

JURISDICTION

1. In judicial proceedings relating to international multimodal transport under this Convention, the plaintiff, at his option, may institute an action in a court which, according to the law of the State where the court is situated, is competent and within the jurisdiction of which is situated one of the following places:

(a) The principal place of business or, in the absence thereof, the habitual residence of the defendant; or

(b) The place where the multimodal transport contract was made, provided that the defendant has there a place of business, branch or agency through which the contract was made; or

(c) The place of taking the goods in charge for international multimodal transport or the place of delivery; or

(d) Any other place designated for that purpose in the multimodal transport contract and evidenced in the multimodal transport document.

2. No judicial proceedings relating to international multimodal transport under this Convention may be instituted in a place not specified in paragraph 1 of this article. The provisions of this article do not constitute an obstacle to the jurisdiction of the Contracting States for provisional or protective measures.

3. Notwithstanding the preceding provisions of this article, an agreement made by the parties after a claim has arisen, which designates the place where the plaintiff may institute an action, shall be effective.

4. (a) Where an action has been instituted in accordance with the provisions of this article or where judgement in such an action has been delivered, no new action shall be instituted between the same parties on the same grounds unless the judgement in the first action is not enforceable in the country in which the new proceedings are instituted;

(b) For the purposes of this article neither the institution of measures to obtain enforcement of a judgement nor the removal of an action to a different court within the same country shall be considered as the starting of a new action.

Article 27

ARBITRATION

1. Subject to the provisions of this article, parties may provide by agreement evidenced in writing that any dispute that may arise relating to international multimodal transport under this Convention shall be referred to arbitration.

2. The arbitration proceedings shall, at the option of the claimant, be instituted at one of the following places:

(a) A place in a State within whose territory is situated:

(i) The principal place of business of the defendant or, in the absence thereof, the habitual residence of the defendant; or

(ii) The place where the multimodal transport contract was made, provided that the defendant has there a place of business, branch or agency through which the contract was made; or

(iii) The place of taking the goods in charge for international multimodal transport or the place of delivery; or

(b) Any other place designated for that purpose in the arbitration clause or agreement.

3. The arbitrator or arbitration tribunal shall apply the provisions of this Convention.

4. The provisions of paragraphs 2 and 3 of this article shall be deemed to be part of every arbitration

clause or agreement and any term of such clause or agreement which is inconsistent therewith shall be null and void.

5. Nothing in this article shall affect the validity of an agreement on arbitration made by the parties after the claim relating to the international multimodal transport has arisen.

PART VI

Supplementary provisions

Article 28

CONTRACTUAL STIPULATIONS

1. Any stipulation in a multimodal transport contract or multimodal transport document shall be null and void to the extent that it derogates, directly or indirectly, from the provisions of this Convention. The nullity of such a stipulation shall not affect the validity of other provisions of the contract or document of which it forms a part. A clause assigning benefit of insurance of the goods in favour of the multimodal transport operator or any similar clause shall be null and void.

2. Notwithstanding the provisions of paragraph 1 of this article, the multimodal transport operator may, with the agreement of the consignor, increase his responsibilities and obligations under this Convention.

3. The multimodal transport document shall contain a statement that the international multimodal transport is subject to the provisions of this Convention which nullify any stipulation derogating therefrom to the detriment of the consignor or the consignee.

4. Where the claimant in respect of the goods has incurred loss as a result of a stipulation which is null and void by virtue of the present article, or as a result of the omission of the statement referred to in paragraph 3 of this article, the multimodal transport operator must pay compensation to the extent required in order to give the claimant compensation in accordance with the provisions of this Convention for any loss of or damage to the goods as well as for delay in delivery. The multimodal transport operator must, in addition, pay compensation for costs incurred by the claimant for the purpose of exercising his right, provided that costs incurred in the action where the foregoing provision is invoked are to be determined in accordance with the law of the State where proceedings are instituted.

Article 29

GENERAL AVERAGE

1. Nothing in this Convention shall prevent the application of provisions in the multimodal transport contract or national law regarding the adjustment of general average, if and to the extent applicable.

2. With the exception of article 25, the provisions of this Convention relating to the liability of the multimodal transport operator for loss of or damage to the goods shall also determine whether the consignee may refuse contribution in general average and the liability of the multimodal transport operator to indemnify the consignee in respect of any such contribution made or any salvage paid.

OTHER CONVENTIONS

1. This Convention does not modify the rights or duties provided for in the Brussels International Convention for the unification of certain rules relating to the limitation of the liability of owners of sea-going vessels of 25 August 1924; in the Brussels International Convention relating to the limitation of the liability of owners of sea-going ships of 10 October 1957; in the London Convention on limitation of liability for maritime claims of 19 November 1976; and in the Geneva Convention relating to the limitation of the liability of owners of inland navigation vessels (CLN) of 1 March 1973, including amendments to these Conventions, or national law relating to the limitation of liability of owners of sea-going ships and inland navigation vessels.

2. The provisions of articles 26 and 27 of this Convention do not prevent the application of the mandatory provisions of any other international convention relating to matters dealt with in the said articles, provided that the dispute arises exclusively between parties having their principal place of business in States parties to such other convention. However, this paragraph does not affect the application of paragraph 3 of article 27 of this Convention.

3. No liability shall arise under the provisions of this Convention for damage caused by a nuclear incident if the operator of a nuclear installation is liable for such damage:

(a) Under either the Paris Convention of 29 July 1960 on Third Party Liability in the Field of Nuclear Energy as amended by the Additional Protocol of 28 January 1964 or the Vienna Convention of 21 May 1963 on Civil Liability for Nuclear Damage, or amendments thereto; or

(b) By virtue of national law governing the liability for such damage, provided that such law is in all respects as favourable to persons who may suffer damage as either the Paris or Vienna Conventions.

4. Carriage of goods such as carriage of goods in accordance with the Geneva Convention of 19 May 1956 on the Contract for the International Carriage of Goods by Road in article 2, or the Berne Convention of 7 February 1970 concerning the Carriage of Goods by Rail, article 2, shall not for States Parties to Conventions governing such carriage be considered as international multimodal transport within the meaning of article 1, paragraph 1, of this Convention, in so far as such States are bound to apply the provisions of such Conventions to such carriage of goods.

Article 31

UNIT OF ACCOUNT OR MONETARY UNIT AND CONVERSION

1. The unit of account referred to in article 18 of this Convention is the Special Drawing Right as defined by the International Monetary Fund. The amounts referred to in article 18 shall be converted into the national currency of a State according to the value of such currency on the date of the judgement or award or the

date agreed upon by the parties. The value of a national currency, in terms of the Special Drawing Right, of a Contracting State which is a member of the International Monetary Fund, shall be calculated in accordance with the method of valuation applied by the International Monetary Fund, in effect on the date in question, for its operations and transactions. The value of a national currency in terms of the Special Drawing Right of a Contracting State which is not a member of the International Monetary Fund shall be calculated in a manner determined by that State.

2. Nevertheless, a State which is not a member of the International Monetary Fund and whose law does not permit the application of the provisions of paragraph 1 of this article may, at the time of signature, ratification, acceptance, approval or accession, or at any time thereafter, declare that the limits of liability provided for in this Convention to be applied in its territory shall be fixed as follows: with regard to the limits provided for in paragraph 1 of article 18, to 13,750 monetary units per package or other shipping unit or 41.25 monetary units per kilogram of gross weight of the goods, and with regard to the limit provided for in paragraph 3 of article 18, to 124 monetary units.

3. The monetary unit referred to in paragraph 2 of this article corresponds to sixty-five and a half milligrams of gold of millesimal fineness nine hundred. The conversion of the amount referred to in paragraph 2 of this article into national currency shall be made according to the law of the State concerned.

4. The calculation mentioned in the last sentence of paragraph 1 of this article and the conversion referred to in paragraph 3 of this article shall be made in such a manner as to express in the national currency of the Contracting State as far as possible the same real value for the amounts in article 18 as is expressed there in units of account.

5. Contracting States shall communicate to the depositary the manner of calculation pursuant to the last sentence of paragraph 1 of this article, or the result of the conversion pursuant to paragraph 3 of this article, as the case may be, at the time of signature or when depositing their instruments of ratification, acceptance, approval or accession, or when availing themselves of the option provided for in paragraph 2 of this article and whenever there is a change in the manner of such calculation or in the result of such conversion.

PART VII

Customs matters

Article 32

CUSTOMS TRANSIT

1. Contracting States shall authorize the use of the procedure of customs transit for international multimodal transport.

2. Subject to provisions of national law or regulations and intergovernmental agreements, the customs transit of goods in international multimodal transport shall be in accordance with the rules and principles

contained in articles I to VI of the annex to this Convention.

3. When introducing laws or regulations in respect of customs transit procedures relating to multimodal transport of goods, Contracting States should take into consideration articles I to VI of the annex to this Convention.

PART VIII

Final clauses

Article 33

DEPOSITARY

The Secretary-General of the United Nations is hereby designated as the depositary of this Convention.

Article 34

SIGNATURE, RATIFICATION, ACCEPTANCE, APPROVAL AND ACCESSION

1. All States are entitled to become Parties to this Convention by:

(a) Signature not subject to ratification, acceptance or approval; or

(b) Signature subject to and followed by ratification, acceptance or approval; or

(c) Accession.

2. This Convention shall be open for signature as from 1 September 1980 until and including 31 August 1981 at the Headquarters of the United Nations in New York.

3. After 31 August 1981, this Convention shall be open for accession by all States which are not signatory States.

4. Instruments of ratification, acceptance, approval and accession are to be deposited with the depositary.

5. Organizations for regional economic integration, constituted by sovereign States members of UNCTAD, and which have competence to negotiate, conclude and apply international agreements in specific fields covered by this Convention, shall be similarly entitled to become Parties to this Convention in accordance with the provisions of paragraphs 1 to 4 of this article, thereby assuming in relation to other Parties to this Convention the rights and duties under this Convention in the specific fields referred to above.

Article 35

RESERVATIONS

No reservation may be made to this Convention.

Article 36

ENTRY INTO FORCE

1. This Convention shall enter into force 12 months after the Governments of 30 States have either signed it not subject to ratification, acceptance or approval or have deposited instruments of ratification, acceptance, approval or accession with the depositary.

2. For each State which ratifies, accepts, approves or accedes to this Convention after the requirements for entry into force given in paragraph 1 of this article have been met, the Convention shall enter into force 12 months after the deposit by such State of the appropriate instrument.

Article 37

DATE OF APPLICATION

Each Contracting State shall apply the provisions of this Convention to multimodal transport contracts concluded on or after the date of entry into force of this Convention in respect of that State.

Article 38

RIGHTS AND OBLIGATIONS UNDER EXISTING
CONVENTIONS

If, according to articles 26 or 27, judicial or arbitral proceedings are brought in a Contracting State in a case relating to international multimodal transport subject to this Convention which takes place between two States of which only one is a Contracting State, and if both these States are at the time of entry into force of this Convention equally bound by another international convention, the court or arbitral tribunal may, in accordance with the obligations under such convention, give effect to the provisions thereof.

Article 39

REVISION AND AMENDMENTS

1. At the request of not less than one third of the Contracting States, the Secretary-General of the United Nations shall, after the entry into force of this Convention, convene a conference of the Contracting States for revising or amending it. The Secretary-General of the United Nations shall circulate to all Contracting States the texts of any proposals for amendments at least three months before the opening date of the conference.

2. Any decision by the revision conference, including amendments, shall be taken by a two thirds majority of the States present and voting. Amendments adopted by the conference shall be communicated by the depositary to all the contracting States for acceptance and to all the States signatories of the Convention for information.

3. Subject to paragraph 4 below, any amendment adopted by the conference shall enter into force only for those Contracting States which have accepted it, on the

first day of the month following one year after its acceptance by two thirds of the Contracting States. For any State accepting an amendment after it has been accepted by two thirds of the Contracting States, the amendment shall enter into force on the first day of the month following one year after its acceptance by that State.

4. Any amendment adopted by the conference altering the amounts specified in article 18 and paragraph 2 of article 31 or substituting either or both the units defined in paragraphs 1 and 3 of article 31 by other units shall enter into force on the first day of the month following one year after its acceptance by two thirds of the Contracting States. Contracting States which have accepted the altered amounts or the substituted units shall apply them in their relationship with all Contracting States.

5. Acceptance of amendments shall be effected by the deposit of a formal instrument to that effect with the depositary.

6. Any instrument of ratification, acceptance, approval or accession deposited after the entry into force of any amendment adopted by the conference shall be deemed to apply to the Convention as amended.

Article 40

DENUNCIATION

1. Each Contracting State may denounce this Convention at any time after the expiration of a period of two years from the date on which this Convention has entered into force by means of a notification in writing addressed to the depositary.

2. Such denunciation shall take effect on the first day of the month following the expiration of one year after the notification is received by the depositary. Where a longer period is specified in the notification, the denunciation shall take effect upon the expiration of such longer period after the notification is received by the depositary.

IN WITNESS WHEREOF the undersigned, being duly authorized thereto, have affixed their signatures hereunder on the dates indicated.

DONE AT Geneva, this twenty-fourth day of May, one thousand nine hundred and eighty, in one original in the Arabic, Chinese, English, French, Russian and Spanish languages, all texts being equally authentic.

ANNEX

Provisions on customs matters relating to international
multimodal transport of goods

Article I

For the purposes of this Convention:

"Customs transit procedure" means the customs procedure under which goods are transported under customs control from one customs office to another.

"Customs office of destination" means any customs office at which a customs transit operation is terminated.

"Import/export duties and taxes" means customs duties and all other duties, taxes, fees or other charges which are collected on or in connection with the import/export of goods, but not including fees and charges which are limited in amount to the approximate cost of services rendered.

"Customs transit document" means a form containing the record of data entries and information required for the customs transit operation.

Article II

1. Subject to the provisions of the law, regulations and international conventions in force in their territories, Contracting States shall grant freedom of transit to goods in international multimodal transport.

2. Provided that the conditions laid down in the customs transit procedure used for the transit operation are fulfilled to the satisfaction of the customs authorities, goods in international multimodal transport:

(a) Shall not, as a general rule, be subject to customs examination during the journey except to the extent deemed necessary to ensure compliance with rules and regulations which the customs are responsible for enforcing. Flowing from this, the customs authorities shall normally restrict themselves to the control of customs seals and other security measures at points of entry and exit;

(b) Without prejudice to the application of law and regulations concerning public or national security, public morality or public health, shall not be subject to any customs formalities or requirements additional to those of the customs transit regime used for the transit operation.

Article III

In order to facilitate the transit of the goods, each Contracting State shall:

(a) If it is the country of shipment, as far as practicable, take all measures to ensure the completeness and accuracy of the information required for the subsequent transit operations;

(b) If it is the country of destination;

(i) Take all necessary measures to ensure that goods in customs transit shall be cleared, as a rule, at the customs office of destination of the goods;

(ii) Endeavour to carry out the clearance of goods at a place as near as is possible to the place of final destination of the goods, provided that national law and regulations do not require otherwise.

Article IV

1. Provided that the conditions laid down in the customs transit procedure are fulfilled to the satisfaction of the customs authorities, the goods in international multimodal transport shall not be subject to the payment of import/export duties and taxes or deposit in lieu thereof in transit countries.

2. The provisions of the preceding paragraph shall not preclude:

(a) The levy of fees and charges by virtue of national regulations on grounds of public security or public health;

(b) The levy of fees and charges, which are limited in amount to the approximate cost of services rendered, provided they are imposed under conditions of equality.

Article V

1. Where a financial guarantee for the customs transit operation is required, it shall be furnished to the satisfaction of the customs authorities of the transit country concerned in conformity with its national law and regulations and international conventions.

2. With a view to facilitating customs transit, the system of customs guarantee shall be simple, efficient, moderately priced and shall cover import/export duties and taxes chargeable and, in countries where they are covered by guarantees, any penalties due.

Article VI

1. Without prejudice to any other documents which may be required by virtue of an international convention or national law and regulations, customs authorities of transit countries shall accept the multimodal transport document as a descriptive part of the customs transit document.

2. With a view to facilitating customs transit, customs transit documents shall be aligned, as far as possible, with the layout reproduced below.

