

INT GROUP B

Standard form Letter of Indemnity to be given in return for delivering cargo at a port other than that stated in the Bill of Lading

Information to the Member

The basic rule for delivery under a B/L is that it should be made to the first party who turns up at the port of destination in possession of and presenting an original B/L. If a cargo owner request to take delivery in any other port, the carrier should insist on presentation of a full set of all originals. The Member should make it a condition before agreeing that a back-letter is signed by charterers. Due to the risk involved, the Club's advice is to resist such requests.

The standard form below is the text recommended by the International Group.

N.B

- *Liability arising from delivery of cargo in other port than that stated in the B/L is not covered by the P&I insurance.*
- *In many jurisdictions, the carrier has no means to sue the shipper under a back-letter following the principle that a claim based on a fraudulent document is unenforceable.*
- *It is advisable to have the back-letter countersigned by a first class bank. For that purpose use form INT GROUP BB.*
- *For situations where a full set of original B/L cannot be presented, another form, INT GROUP C or CC should be used. Please contact the Club for assistance.*

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To: [insert name of Owners] [insert date]

The Owners of the [insert name of ship]
[insert address]

Dear Sirs

Ship: [insert name of ship]

Voyage: [insert load and discharge ports as stated in the bill of lading]

Cargo: [insert description of cargo]

Bill of lading: [insert identification number, date and place of issue]

The above cargo was shipped on the above ship by [insert name of shipper] and consigned to [insert name of consignee or party to whose order the bill of lading is made out, as appropriate] for delivery at the port of [insert name of discharge port stated in the bill of lading] but we, [insert name of party requesting substituted delivery], hereby request you to order the ship to proceed to and deliver the said cargo at [insert name of substitute port or place of delivery] against production of at least one original bill of lading.

In consideration of your complying with our above request, we hereby agree as follows: -

1. To indemnify you, your servants and agents and to hold all of you harmless in respect of any liability, loss, damage or expense of whatsoever nature which you may sustain by reason of the ship proceeding and giving delivery of the cargo against production of at least one original bill of lading in accordance with our request.
2. In the event of any proceedings being commenced against you or any of your servants or agents in connection with the ship proceeding and giving delivery of the cargo as aforesaid, to provide you or them on demand with sufficient funds to defend the same.
3. If, in connection with the delivery of the cargo as aforesaid, the ship, or any other ship or property in the same or associated ownership, management or control, should be arrested or detained or should the arrest or detention thereof be threatened, or should there be any interference in the use or trading of the vessel (whether by virtue of a caveat being entered on the ship's registry or otherwise howsoever), to provide on demand such bail or other security as may be required to prevent such arrest or detention or to secure the release of such ship or property or to remove such interference and to indemnify you in respect of any liability, loss, damage or expense caused by such arrest or detention or threatened arrest or detention or such interference, whether or not such arrest or detention or threatened arrest or detention or such interference may be justified.

4. The liability of each and every person under this indemnity shall be joint and several and shall not be conditional upon your proceeding first against any person, whether or not such person is party to or liable under this indemnity.
5. This indemnity shall be governed by and construed in accordance with English law and each and every person liable under this indemnity shall at your request submit to the jurisdiction of the High Court of Justice of England.

Yours faithfully,
For and on behalf of
[insert name of Requestor]
The Requestor

.....
Signature