

The bill of lading

Receipt, evidence of contract and document of title: types of bill of lading, originals, telex release and sea waybills.

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Online interactive version: <https://ozgurkonakci.com/en/guide/bill-of-lading/>

SHORT ANSWER

A bill of lading (B/L) is the carrier's receipt for the cargo in sea transport, evidence of the contract of carriage and, when made out to order, a document of title to the goods. As a rule, the original bill must be presented to take delivery at destination. If the originals are surrendered at the port of loading, the cargo is released by telex release; if a sea waybill was issued, it is delivered to the named consignee without any original document.

What is a bill of lading?

The bill of lading (B/L) is the core document of sea transport. It has three functions:

- 1. Receipt:** It shows that the carrier received the cargo in the stated quantity and apparent condition.
- 2. Evidence of the contract of carriage:** The terms of carriage are usually printed on the back of the bill.
- 3. Document of title:** A bill made out to order can be transferred by endorsement, and whoever lawfully holds it is entitled to take delivery of the goods. That is why goods can be sold in transit and why banks can hold the bill as security under a letter of credit.

A bill of lading is usually issued as a **set of three originals** (3/3, the "full set"). Delivery against one original voids the others, which is why banks ask for the full set under a letter of credit.

A sample bill of lading, field by field

BILL OF LADING

sample — not a real document

Shipper SAMPLE TEXTILES INC., ISTANBUL, TÜRKİYE		B/L No. SMPL2026001234	
Consignee TO ORDER OF SAMPLE BANK AG		Carrier and signature SAMPLE LINE · signed by the agent for the carrier	
Notify party SAMPLE IMPORT GMBH, HAMBURG			
Vessel / voyage MV SAMPLE STAR / 042W	Port of loading MERSIN, TÜRKİYE		Port of discharge HAMBURG, GERMANY
Container / seal no. SMPU1234567 / SEAL 778899	Description of goods 1 x 40' HC SLAC – SAID TO CONTAIN: 20 PALLETS COTTON T-SHIRTS		Gross weight / measurement 8.450 KGS / 62,0 CBM
Freight payable FREIGHT PREPAID	Number of originals THREE (3/3)		Shipped on board date SHIPPED ON BOARD 14.10.2026

Field	What it means	Common mistake
Shipper	The party handing the cargo to the carrier under the contract of carriage.	Not matching the name required by the letter of credit exactly.
B/L No.	The carrier's unique number for the document, used for tracking and release.	Being written differently on the invoice and other documents.
Consignee	The party entitled to take delivery. If made out "to order", the bill is transferred by endorsement.	Naming the buyer when the credit requires "to order of the bank".
Carrier and signature	Shows the document was issued by the carrier, the master or their agent. An agent must state on whose behalf it signs.	Not stating the capacity of the signatory (UCP 600 art. 20).
Notify party	The party informed on arrival. Gives no right to take delivery.	The arrival notice not reaching anyone because of missing contact details.
Vessel / voyage	The vessel and voyage the cargo was loaded on.	Confusing the feeder with the mother vessel after transshipment.
Port of loading	The port where the cargo is loaded on board.	Not matching the port in the letter of credit.
Port of discharge	The port where the cargo will be discharged.	Entering the transshipment port as the port of discharge.
Container / seal no.	Container and seal numbers, checked at destination.	A wrong seal number, which weakens the evidence in a claim.
Description of goods	Description of the goods and number of packages. In FCL, "said to contain" states that the carrier did not see the contents.	A description different from the invoice; not stating the number of packages (lowers the liability limit).
Gross weight / measurement	Weight and volume as declared by the shipper.	Contradicting the VGM and the invoice weight.
Freight payable	Whether freight is paid at origin (prepaid) or destination (collect).	Contradicting the Incoterms rule (e.g. "collect" on a CIF sale).

Field	What it means	Common mistake
Number of originals	How many originals were issued; banks require the full set.	Presenting an incomplete set to the bank.
Shipped on board date	The date the goods were loaded on board; treated as the shipment date under a letter of credit.	Being later than the latest shipment date in the letter of credit.

Types of bill of lading

By whom it is made out to

- **Straight (named) B/L:** Made out to a named consignee and cannot be transferred by endorsement. In many countries it cannot be released without an original; practice differs from country to country.
- **Order B/L:** Made out "to order" or "to the order of [bank]" and transferred by endorsement. Used in letter of credit transactions and when goods will be sold in transit.
- **Bearer B/L:** Whoever holds it takes delivery. Losing it is very risky; rarely used.

By loading status

- **Shipped on board:** Shows that the goods were loaded on a named vessel. Under a letter of credit, banks look for an on-board notation as required by UCP 600 art. 20.
- **Received for shipment:** Shows that the goods were handed to the carrier but not yet loaded. It can be turned into an on-board bill with a dated notation after loading.

By remarks

- **Clean:** Carries no clause declaring the goods or packaging defective.
- **Claused ("dirty"):** Contains remarks such as "packaging torn" or "wet". Banks as a rule do not accept claused bills (UCP 600 art. 27).

By issuer

- **MBL (master B/L):** Issued by the shipping line. Often the shipper is the forwarder and the consignee is the forwarder's agent at destination.
- **HBL (house B/L):** Issued by a forwarder or NVOCC to its own customer. In LCL each customer in the same container gets its own HBL.
- **Through / multimodal B/L (FBL):** A single document covering more than one mode of transport. The FIATA multimodal bill of lading (FBL) is widely used by forwarders.

What does "said to contain" mean in FCL?

In FCL the shipper loads and seals the container, and the carrier never sees the contents. That is why the bill carries clauses such as **SLAC** (shipper's load, stow and count) and **STC** (said to contain). These do not make the bill claused, but they limit the carrier's responsibility for the contents and quantity.

How is the cargo released? Originals, telex release, sea waybill

There are three main ways to take delivery at destination:

- **Original bill of lading:** The consignee (or the last endorsee) presents an original to the carrier's agent at destination and receives a delivery order in return. This gives the strongest payment security; because the documents travel by courier, there is a risk of delay.
- **Telex release (surrender):** Originals are issued but surrendered to the carrier at the port of loading. The carrier instructs its agent at destination to release without originals.
- **Sea waybill:** A non-negotiable document without originals is issued from the start. The cargo is delivered to the named consignee.

Which one fits depends on the payment method and whether the goods will be sold in transit:

Payment method	Sold in transit?	Suitable release method
Letter of credit or documentary collection	Either	Original bill of lading (usually to order)
Any	Yes, goods sold in transit	Original order bill of lading
Paid in advance / trusted open account	No	Sea waybill (fastest) or telex release

When the cargo arrives before the original bill

On short transit times the cargo can arrive before the original bill of lading. Carriers sometimes release the cargo against a **letter of indemnity (LOI)**, an undertaking to cover the carrier's loss if it delivers to the wrong party, usually backed by a bank guarantee. Because this is a serious risk for the carrier, many carriers refuse LOIs, so the document flow should be planned when the shipment is planned.

The most common bill of lading mistakes

- The description of the goods does not match the invoice and the letter of credit exactly
- The on-board date is later than the latest shipment date in the letter of credit
- The "freight prepaid / collect" remark contradicts the Incoterms rule (for example "freight collect" on a CFR sale)
- The consignee or notify party is wrong or incomplete

- An original is lost: replacing a lost bill usually takes security and a long process

Test yourself

1. Which type of bill of lading should you ask for in an export under a letter of credit? *(Answer: Whatever the credit requires; usually a clean, on-board, full set of original bills made out to the order of the bank.)*
2. What is the fastest release method for a prepaid shipment to a group company? *(Answer: A sea waybill. No original document needs to travel.)*
3. Does a "said to contain" clause on an FCL bill make it claused? *(Answer: No. It states that the carrier did not see the contents; it is not a remark about defects.)*

Frequently asked questions

What is a telex release?

The shipper surrenders the full set of issued original bills of lading to the carrier at the port of loading, and the carrier instructs its agent at destination to release the cargo without originals. The cargo is delivered to the named consignee. Because there is no payment security, it is usually used after payment has been received or with trusted buyers.

What is the difference between a sea waybill and a bill of lading?

A sea waybill is a receipt and evidence of the contract of carriage, but not a document of title; it cannot be endorsed and has no originals. The cargo is delivered to the consignee named on it, on proof of identity. It is the fastest method when the goods will not be sold in transit and payment is secured.

What are an MBL and an HBL?

An MBL (master bill of lading) is issued by the shipping line, often with the forwarder as shipper. An HBL (house bill of lading) is issued by a forwarder or NVOCC to its own customer. In LCL each customer receives its own HBL, while the shipping line issues one MBL for the container.

What does a clean bill of lading mean?

A bill of lading with no clause declaring a defective condition of the goods or packaging. In letter of credit transactions banks generally require a clean transport document; under UCP 600 the word 'clean' need not appear on it, what matters is the absence of such a clause.

SOURCES

ICC — Uniform Customs and Practice for Documentary Credits (UCP 600), art. 20 (bill of lading) and art. 27 (clean transport document)

Bills of Lading and UCP 600 — transport documents and banking requirements (Handybulk) — <https://www.handybulk.com/bills-of-lading-and-ucp-600-transport-documents-banking-requirements-and-electronic-records/>

Turkish Commercial Code No. 6102 — maritime trade, contract of carriage and bill of lading provisions — <https://www.mevzuat.gov.tr/>

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