

## **'ROTTERDAM RULES' IN MARITIME TRANSPORT OF GOODS**

**On 23 September 2009, the United Nations Convention on Contracts for the International Carriage of Goods Wholly or Partly by Sea will be signed in Rotterdam. This UN convention, called 'the Rotterdam Rules', describes the rights and obligations of parties involved in the carriage of goods by sea. The convention provides more clarity about who is responsible for what, when and where in maritime transport and how far these responsibilities extend. The application of the Rotterdam Rules facilitates international trade and leads to savings in costs.**

The Rotterdam Rules will replace the Hague Rules (1924), the Hague-Visby Rules and the Hamburg Rules (1978), as these conventions have become outdated. Developments such as the carriage of goods in containers and electronic data transfer do not feature in these conventions. As a result, gaps have occurred in law and every judge has to reinvent the law individually. National or regional law making is not efficient, as 90% of shipping takes place internationally. With the new convention, the rules will internationally be in line again.

### Clarification concerning liability

What do the Rotterdam Rules change? In the case of a stranded ship, a stolen container or damage to a shipment, the Rotterdam Rules establish more clearly who is responsible and accountable for what. Unlike the old conventions, other parties in the chain, such as stevedores, may now be jointly liable with the carrier. The carrier's liability for damage to the cargo has been increased. The shipper's obligations are also more clearly defined, such as its obligation to have the goods ready for transport in a timely manner. Goods loaded in containers and trailers must be stowed in such a way that they are able to withstand the sea voyage. In addition, in case of damages the claims procedure is made easier. The time bar has been extended from one to two years for countries which are parties to the Hague and Hague-Visby Rules, which have the greatest number of contracting states. Furthermore, the name and address of the carrier must be stated on the transport document.

### Transport over land and sea

The Rotterdam Rules will apply to contracts for the transport of goods over sea *as well as* their prior or subsequent transport over land. In this way, multimodal transport can be carried out under a single contract with just one statutory regime applying to it.

### E-commerce

The Rotterdam Rules establish the legal infrastructure for the development of e-commerce in maritime transport. Not only the introduction of electronic transport documents becomes possible under the Rotterdam Rules, they also provide the rules on the basis whereof entirely document-free transport may take place. It is much more convenient to process the flow of goods using IT than with the use of paper documents. Shorter processing times and a reduced chance of errors will lower costs.

### Improving the cargo flow in the ports

When a consignee fails to collect its cargo in time, carriers and terminals have more options for storing cargo outside the port area. This may prevent port congestion.

### Coming into existence

The Rotterdam Rules are the result of inter-governmental negotiations that took place between 2002 and 2009. These negotiations took place within the United Nations Commission for International Trade Law (UNCITRAL), after the Comité Maritime International (CMI) had prepared a basic draft for the convention. On 11<sup>th</sup> December 2008 the General Assembly of the United Nations adopted the Rotterdam Rules.

### Signing

On 23 September, the Rotterdam Rules will be officially signed by the countries that already have decided to support them. For such countries, however, the convention does not immediately take effect. They first have to complete their national procedure for ratification of the convention. The Rotterdam Rules will enter into force one year after the 20<sup>th</sup> country will have ratified it.

### Support

Many organisations such as the International Chamber of Commerce (ICC), the World Shipping Council (carriers sailing to/from US), the Comité Maritime International (CMI), the National Industrial Transportation League (US shippers), the International Chamber of Shipping (ICS), the European Community Shipowners' Associations (ECSA), the shipping organisation BIMCO, have already recommended governments to accept the Rotterdam Rules.