

AIR TRANSPORT DOCUMENT

An Air Waybill is a transport document used for the journey between the airport of departure and the airport of destination. It is not a document of title, similar to a Sea Waybill, and serves the following functions:

1. **Proof of Shipment:** It serves as evidence that the goods have been accepted for carriage, indicating the flight number, date, airport of departure, and airport of destination. It also includes other details, such as a general description of the goods, quantity, measurements, etc. Flight date mentioned under “For carrier use only” is not considered as date of shipment. The date of issuance on the transport document is treated as the date of shipment unless there is a separate notation indicating the actual date of shipment (actual flight number and date); in such a case, actual date of shipment is treated as the date of shipment.
2. **Contract of Carriage:** It contains the terms and conditions of the contract of carriage and serves as the contract of carriage between the merchant and the carrier, or may include a reference to another source containing terms and conditions of carriage. Banks will not examine the content of the terms and conditions, and any reference to a charter party is not allowed.

An Air transport document must indicate the name of the carrier, clearly identified as the carrier, and be signed by the carrier or a named agent acting on behalf of the carrier. The carrier's name must be indicated in full, not in IATA code form. If the credit allows for the presentation of a freight forwarder's Air Waybill or house Air Waybill, the document may be signed by the freight forwarder without needing to indicate the name of the carrier.

An Air transport document must indicate both the airport of departure and the airport of destination. These may be shown using International Air Transport Association (IATA) codes (e.g., LAX instead of Los Angeles) rather than full names.

An Air transport document must always be made out in the name of the consignee (i.e., a straight consignment). In letter of credit transactions, the issuing bank typically requires the document to be made out in its name, meaning the consignee is the issuing bank. As a result, the shipping company can deliver the goods to the actual receiver only upon presentation of a delivery order issued by the issuing bank. The issuing bank may release the delivery order upon a written request from the applicant, along with authorisation to debit their account, regardless of any discrepancies in the documents.

Even if a letter of credit erroneously requires an air transport document to be made out "To order of a named party," banks will accept the document without the "To Order" wording, as this phrase has no legal effect on an Air Waybill. Similarly, if the letter of credit requires the Air Waybill to be made out "To Order," banks will accept it if it is made out to either the issuing bank or the applicant.

An Air Waybill must indicate original for shipper or consignor even if the credit requires full set of originals.

The carrier requires the submission of the “original for the shipper” if the shipper seeks to request any modifications to the consignee, routing, or other shipment details. Once original for shipper is presented to the bank, the shipper can not request for changes to

the routing or consignee. This ensures that the issuing bank can verify that the delivery of goods complies with the requirements of the documentary credit.

Freight Charges:

Air transport documents may contain separate boxes, which by their pre-printed headings indicate that they are for freight charges "**Prepaid**" and for freight charges "**Collect.**"

- When a credit requires an Air transport document to show that freight has been prepaid, this will be fulfilled by an indication of the freight charges under the heading "**Freight Charges Prepaid**" or similar wording.
- When a credit requires an Air transport document to show that freight is to be collected or paid at the destination, this will be fulfilled by an indication of the freight charges under the heading "**Freight Charges Collect**" or similar wording.