

UK P&I CLUB



LP Bulletin

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Bulletin 890 - 05/13 - Changes in Brazilian Custom's Practices - Delivery without original Bills of Lading - Brazil

With the issuance of Normative Instruction 1356/13, the Brazilian Customs Authority has indicated that cargo receivers are no longer required to submit the original Bill of Lading in order to obtain the release into their custody of cargo in bonded spaces.

Many Members will be aware of the Brazilian system which is unusual in that authorization to release cargo rests solely with Customs and not the shipping lines. However, agents may still block the release if freight is unpaid.

Many Clubs in The International Group have until now taken the position that Members' cover was not prejudiced if they had delivered to Customs without original Bills of Lading, but in compliance with local regulations which required them to do so.

The safeguard that gave Clubs some assurance was the regulatory requirement that the customs broker (a 3rd party agent) could not release the cargo without the original Bill of Lading and payment of the import tax.

That practical protection has now gone and, accordingly, Members would appear to be less well protected than before. This of course is far from ideal and just how unsatisfactory needs to be determined. It appears that the carrier is still legally obliged to deliver to Customs, even without the original being surrendered: ie - a regulatory requirement is still in place. One measure of protection to be considered going forward would be to clause the Bill of Lading.

This matter is presently being discussed within the International Group and legal advice concerning the effect of the change is awaited from Brazil. A further update will be issued shortly.

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