

# What Is Bill Of Lading: Definition, Need, And Types Explained



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Bill Of Lading is one of the essential shipping documents that is a legally recognized record of the goods received by the shipper on board. It serves as an instrument of agreement between the carrier and the shipper regarding the freight shipment along with a carrier. It also acts as a receipt for the carrier from the exporter. It is one of the essential documents used for international shipping, and in this article, we are going to understand its need, types as well as its use in international trade. To know more about Bill Of Lading (BOL), have a look at the article:

## The Need For Bill Of Lading

Date: _____		<b>BILL OF LADING</b>		Page 1 of _____				
<b>SHIP FROM</b>				Bill of Lading Number: _____  BAR CODE SPACE				
Name: _____ Address: _____ City/State/Zip: _____ SID#: _____								
<b>SHIP TO</b>				CARRIER NAME: _____ Trailer number: _____ Seal number(s): _____				
Name: _____ Location #: _____ Address: _____ City/State/Zip: _____ CID#: _____								
<b>THIRD PARTY FREIGHT CHARGES BILL TO:</b>				SCAC: _____ Pro number: _____  BAR CODE SPACE				
Name: _____ Address: _____ City/State/Zip: _____								
SPECIAL INSTRUCTIONS: _____				Freight Charge Terms: <i>(freight charges are prepaid unless marked otherwise)</i> Prepaid _____ Collect _____ 3 <sup>rd</sup> Party _____  <input type="checkbox"/> Master Bill of Lading: with attached underlying Bills of Lading <small>(check box)</small>				
<b>CUSTOMER ORDER INFORMATION</b>								
CUSTOMER ORDER NUMBER		# PKGS	WEIGHT	PALLET/SLIP <small>(CIRCLE ONE)</small>	ADDITIONAL SHIPPER INFO			
				Y N				
				Y N				
				Y N				
				Y N				
				Y N				
				Y N				
				Y N				
				Y N				
<b>GRAND TOTAL</b>								
<b>CARRIER INFORMATION</b>								
HANDLING UNIT		PACKAGE		WEIGHT	H.M. (X)	COMMODITY DESCRIPTION	LTL ONLY	
QTY	TYPE	QTY	TYPE			NMFC #	CLASS	
						RECEIVING STAMP SPACE		
<b>GRAND TOTAL</b>								
Where the rate is dependent on value, shippers are required to state specifically in writing the agreed or declared value of the property as follows: The agreed or declared value of the property is specifically stated by the shipper to be not exceeding _____ per _____.					COD Amount: \$ _____ Fee Terms: Collect: <input type="checkbox"/> Prepaid: <input type="checkbox"/> Customer check acceptable: <input type="checkbox"/>			
<b>NOTE Liability Limitation for loss or damage in this shipment may be applicable. See 49 U.S.C. • 14706(c)(1)(A) and (B).</b>								
RECEIVED, subject to individually determined rates or contracts that have been agreed upon in writing between the carrier and shipper, if applicable, otherwise to the rates, classifications and rules that have been established by the carrier and are available to the shipper, on request, and to all applicable state and federal regulations.				The carrier shall not make delivery of this shipment without payment of freight and all other lawful charges.				
<b>SHIPPER SIGNATURE / DATE</b> <small>This is to certify that the above named materials are properly classified, packaged, marked and labeled, and are in proper condition for transportation according to the applicable regulations of the DOT.</small>		<b>Trailer Loaded:</b> <input type="checkbox"/> By Shipper <input type="checkbox"/> By Driver		<b>Freight Counted:</b> <input type="checkbox"/> By Shipper <input type="checkbox"/> By Driver/pallets said to contain <input type="checkbox"/> By Driver/Pieces				
				<b>CARRIER SIGNATURE / PICKUP DATE</b> <small>Carrier acknowledges receipt of packages and required placards. Carrier certifies emergency response information was made available and/or carrier has the DOT emergency response guidebook or equivalent documentation in the vehicle. Property described above is received in good order, except as noted.</small>				

(Image Source)

When an exporter hands over the freight to the shipper, it is not necessary that they have received the due payment for the same. This makes it necessary for the exporter to retain some amount of control over the shipment until they receive the due payment. The carrier also requires an official document to testify the condition of the cargo and permission to transport it. The Bill Of Lading (B/L) serves this purpose by allowing the shipper to understand how to handle the shipment, mentioning its conditions and delivery destination. Most importantly, it also contains the payment recovery details as per the mutual agreement between the exporter and the importer along with the shipper. It is not recognized by most international bodies as a document of title. It serves the purpose of facilitating the movement of goods through authorized channels, making it an essential part of the [shipping management](#) process.

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An estimated \$50 billion is lost every year due to the cargo losses. ([Source](#))

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## Types Of Bill Of Lading

Primarily, there are two types of Bill Of Lading used. In this section, we will have a look at them:

### Negotiable Bill Of Lading

The person with an original copy of the bill is eligible to take the delivery of the goods. It acts as the document confirming title and control. The buyer, receiver, or agent has to produce the original bill in order to get the delivery, and failing to do so will prevent them from getting the shipped goods.

### Non-negotiable Bill Of Lading

The name of the receiver (consignee) is stated on non-negotiable BoL without serving as the document confirming the ownership of the freight. The receiver/buyer mentioned in the bill needs to produce proof of their identity to get the delivery, and the sole purpose of the bill is to validate the transport of the goods.

## BILL OF LADING – NON-NEGOTIABLE

<b>SHIPPER</b>		<b>B of L NO.</b>
NAME		
ADDRESS		
CITY / STATE / ZIP		
SID NO.		
<b>SHIP TO</b>		<b>CARRIER NAME</b>
NAME		<b>TRAILER NO.</b>
ADDRESS		<b>SERIAL NOS.</b>
CITY / STATE / ZIP		
CID NO.		
<b>THIRD PARTY FREIGHT CHARGES BILL TO</b>		<b>SCAC</b>
NAME		<b>PRO NO.</b>
ADDRESS		
CITY / STATE / ZIP		
TELEPHONE		
<b>SPECIAL INSTRUCTIONS</b>		<b>FREIGHT CHARGE TERMS</b> Freight charges prepaid unless marked otherwise.
		<input type="checkbox"/> <b>PREPAID</b> <input type="checkbox"/> <b>COLLECT</b> <input type="checkbox"/> <b>THIRD PARTY</b>
Master bill of lading with attached underlying bills of lading.		

CUSTOMER ORDER NO.	NO. OF PKGS	WGT	PALLET / SLIP		ADDITIONAL SHIPPER INFO
			Y	N	
			Y	N	
			Y	N	
			Y	N	
<b>TOTAL</b>					

HANDLING UNIT		PACKAGE		WGT	HM (X)	DESCRIPTION OF ARTICLES, SPECIAL MARKS & EXCEPTIONS	LTL, ONLY	
QTY	TYPE	QTY	TYPE				NMFC NO.	CLASS

Where the rate is dependent on value, shippers are required to state specifically in writing the agreed or declared value of the property as follows: "The agreed or declared value of the property is specifically stated by the shipper to be not exceeding _____ per _____."	<b>COD AMOUNT \$</b>
	<b>FEE TERMS</b>
	<input type="checkbox"/> <b>COLLECT</b> <input type="checkbox"/> <b>PREPAID</b> <input type="checkbox"/> <b>CUSTOMER CHECK</b>

**NOTE: Liability limitation for loss or damage in this shipment may be applicable. See 49 USC § 14706(c)(1)(A) and (B).**

Received, subject to individually determined rates or contracts that have been agreed upon in writing between the carrier and shipper, if applicable, otherwise to the rates, classifications, and rules that have been established by the carrier and are available to the shipper, on request, and to all applicable state and federal regulations.	The carrier shall not make delivery of this shipment without payment of charges and all other lawful fees.
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<b>SHIPPER SIGNATURE &amp; DATE</b>	<b>CARRIER SIGNATURE &amp; PICK-UP DATE</b>	<b>TRAILER LOADED</b>
		<input type="checkbox"/> <b>BY SHIPPER</b> <input type="checkbox"/> <b>BY DRIVER</b>
This is to certify that the above-named materials are properly classified, packaged, marked, and labeled, and are in proper condition for transportation according to the applicable regulations of the DOT.	Carrier acknowledges receipt of packages and required placards. Carrier certifies emergency response information was made available and/or carrier has the DOT emergency response guidebook or equivalent documentation in the vehicle. Property described above is received in good order, except as noted.	<b>FREIGHT COUNTED</b>
		<input type="checkbox"/> <b>BY SHIPPER</b> <input type="checkbox"/> <b>BY DRIVER/PALLETS SAID TO CONTAIN</b>
		<input type="checkbox"/> <b>BY DRIVER PIECES</b>

[\(Image Source\)](#)

## Classification Of Bill Of Lading

The BoL is classified into two major categories based either on how the transfer is executed or on the basis of mode of operation. In this section, I am going to discuss their classification so that our audiences can have a better idea of their differences and use. Have a look at them here:

### Classification As Per The Method Of Execution

#### Straight Bill Of Lading

This type of bill is used when the freight is paid for, and there is no need for any further payments. The shipping company will hand over the consignment to the consignee upon producing the proof of identity upon demanding delivery as the transfer of freights is assigned to a particular person on a non-negotiable basis. Since the original bill isn't needed to accept the delivery, the financial risks make it less attractive for bankers. But it also waives off the possibility of detention as the goods can be accepted directly from the carrier.

- Provide one copy to Carrier
- Fax/email one copy to NRRRA within 2 days
- Keep original for your files

**STRAIGHT BILL OF LADING**

ORIGINAL – NOT NEGOTIABLE

NRRRA Release # 56734  
 NRRRA Transaction # NT07325  
 Date: 2/21/13

ACME Trucking Company  
 (Name of Carrier)

<b>TO:</b> Consignee		A.A. Paper Mill, Inc.		<b>FROM:</b> Shipper		Anytown Transfer Station	
Town/City		Concord		Address		123 Street, Anytown, NH 12345	
State & Country		NH USA		Signature		<i>Joseph Jones</i>	
Vehicle #							
No. Shipping Units	HM*	Kind of Packaging, Description of Articles, Special Marks and Exceptions	Weight (subject to correction)	Rate	CHARGES		
10		Bales Cardboard	10,000 est.				
<p><b>*HAZARDOUS MATERIALS MARK WITH "X" TO DESIGNATE HAZARDOUS MATERIALS AS REFERENCED IN 49CFR/172.202</b>          When transporting hazardous materials include the technical or chemical name for n.o.s. (not otherwise specified) or generic description of material with appropriate UN or NA number as defined in US DOT Emergency Communication Standard (HM-126C)</p>							
<p>RECEIVED, subject to the classifications and lawfully filed tariffs in effect on the date of the issue of this Bill of Lading, the property described above in apparent good order, except as noted (contents and condition of contents of packages unknown), marked, consigned and destined as indicated above which said carrier (the word carrier being understood throughout this contract as meaning any person or corporation in possession of the property under the contract) agrees to carry to its usual place of delivery at said destination if on its route, otherwise to deliver to another carrier on the route to said destination. It is mutually agreed as to each carrier of all or any of said property over all or any portion of said route to destination and as to each party at any time interested in all or any said property, that every service to be performed hereunder shall be subject to all the Bill of Lading terms and conditions in the governing classification on the date of shipment. Shipper hereby certifies that they are familiar with all the Bill of Lading terms and conditions in the governing classification and the said terms and conditions are hereby agreed to by the shipper and accepted for themselves and their assigns. NOTICE: Freight moving under this Bill of Lading is subject to the classifications and lawfully filed tariffs in effect on the date of this Bill of Lading. This notice supersedes and negates any claimed, alleged or asserted oral or written contract, promise, representation or understanding between the parties with respect to this freight, except to the extent of any written contract which establishes lawful contract carriage and is signed by authorized representatives of both parties to the contract.</p>							
AGENT: Northeast Resource Recovery Association				CARRIER: ACME Trucking Company			
2101 Dover Rd, Epsom, NH 03234				SIGNATURE: Truck Driver to Sign Here			
P. (603) 736-4401 F. (603) 736-4402 info@nrrra.net				DATE: Pick up Date inserted here			

(Image Source)

Open Bill of Lading

Open Bill of Lading falls under the category of negotiable type as the consignee can be changed using the assigned party's signature as required. Generally, it is used when the item is ordered in bulk but redistributed in smaller quantities through multiple buyers and sellers through arrangements like an auction. For instance, agricultural products are shipped in large quantities, and reselling is done to multiple parties.



## Bearer Bill Of Lading

The Bearer Bill of Lading allows the delivery to be made to 'whosoever' produces the bill. It is a negotiable bill. It is negotiated through the consignor's stamp and signatures.



[\(Image Source\)](#)

## Order Bill of Lading

It is a negotiable Bill of Lading and is generally divided into two types: To Order, Blank Endorsed type of BoL states consignee's name under 'notify people' instead of naming any party. The second type is To Order; Bank also assigns consignee under 'notify people,' but it can be used for buying, selling, trading, and security purposes. Both of them fall under the category of negotiable bills. If an order bill fails to assign a nominee or has a blank endorsement, it is automatically converted into a Bearer BoL.

## Classification As Per The Method Of Operation



### Clean Bill of Lading

When the shipper or their agents find the goods to be in good condition and as per the quantity mentioned, they provide a Clean Bill of Lading

### Claused Bill of Lading

If the shipper or their agents are not satisfied with either the conditioning of the cargo like torn packaging, physical damage, or the quantity is less, they issue a Claused Bill Of Lading.

### Container Bill of Lading

It states that the cargo is being moved from its port of origin towards another port in a secure container.

### Master Bill of Lading

It is an extensive document encompassing the terms of transportation, the details of the shipper, consignor, consignee, and the person responsible for possessing the goods.

### Received for Shipment Bill of Lading

The carrier acknowledges the validity of the contract before loading the freight into the shift using it.



[\(Image Source\)](#)

Stale Bill of Lading

If the date for shipment is missed by at least 21 days, Stale BoL is issued.

Through Bill of Lading

It is issued when the cargo is to be transported across the seaways and inland routes through a multi-route/ multi-mode process.

Multimodal Transport Through Bill of Lading

It is used when the land and oceanic modes of transport are included.



[\(Image Source\)](#)

Charter Party Bill of Lading

It serves as a document of agreement between the charterer and shipping vessel owner.

House Bill of Lading

It is also called Forwarder's Bill of Lading as it is issued by a non-vessel or nonocean transport company that acts as an intermediate firm to be used by suppliers when receiving the shipment.

Blank Back / Short Form Bill of Lading

It is used when the original BoL fails to mention the terms and conditions for shipping.

## Surrender Bill of Lading

It is provided to the bank for releasing the documents under a defined term for negotiating the bank's receipt.

## What Information Should A Bill of Lading Contain

The contents of a Bill of Lading are governed by either of these conventions:

<b>Hague Rules (1924)</b>	<b>Hague-Visby Rules (1968)</b>	<b>US COGSA</b>
"Contract of carriage" applies only to contracts of carriage covered by a bill of lading or any similar document of title, in so far as such document relates to the carriage of goods by sea, including any bill of lading or any similar document as aforesaid issued under or pursuant to a charter party from the moment at which such bill of lading or similar document of title regulates the relations between a carrier and a holder of the same	"Contract of carriage" applies only to contracts of carriage covered by a bill of lading or any similar document of title, in so far as such document relates to the carriage of goods by water, including any bill of lading or any similar document as aforesaid issued under or pursuant to a charter-party from the moment at which such bill of lading or similar document of title regulates the relations between a carrier and a holder of the same	"Contract of carriage" applies only to contracts of carriage covered by a bill of lading or any similar document of title, insofar as such document relates to the carriage of goods by sea, including any bill of lading or any similar document as aforesaid issued under or pursuant to a charter party from the moment at which such bill of lading or similar document of title regulates the relations between a carrier and a holder of the same.
<b>Hamburg Rules (1978)</b>	<b>Rotterdam Rules (2009)</b>	
"Contract of carriage by sea" means any contract whereby the carrier undertakes against payment of freight to carry goods by sea from one port to another; however, a contract which involves carriage by sea and also carriage by some other means is deemed to be a contract of carriage by sea for the purposes of this Convention only in so far as it relates to the carriage by sea.	"Contract of carriage" means a contract in which a carrier, against the payment of freight, undertakes to carry goods from one place to another. The contract shall provide for carriage by sea and may provide for carriage by other modes of transport in addition to the sea carriage.	

[\(Image Source\)](#)

One needs to state the convention used on the first page of the bill itself. However, I am stating the common information for your ready reference here:

- The name and contact details as per the official documents of the shipper and the receiver.

- The packaging details and hazardous material designation in case of potentially dangerous goods.
- The purchase order or invoice details for releasing the goods.
- The date of pickup.
- The instructions for handling the consignment i.e. maintain one side at top or handle with care.

## Electronic Bills of Lading: The Modern Solution For EXIM Business

The physical BoL posed multiple problems for all the parties involved in export-import as they can be easily forged, putting the cargo under the possible threat of getting acquired illegally. Also, the ships passing through multiple ports would be falsely claimed by fraudulent parties, thus jeopardizing the trade. Lastly, the need to submit the physical documents can also result in delays as without producing them, cargo cannot be delivered by port authorities and agents.

To fight back against these shortfalls of the printed Bol, Electronic BoL is issued in today's time. It can be transferred instantly, and it is also more suitable for compliance. Further, it allows one to make changes in case of glitch while lowering the risk of getting your freight detained. You can also track it better as compared to the physical bills. One also needs to ensure proper cybersecurity for using electronic BoL.

## Summing Up

I hope that you found this article insightful and it clears the fog regarding the various types of Bill of Lading. Let us know about any doubts in the comments section.

->Useful Resources:

Resource 1: What is a Bill of Lading..?? ([Link](#))

Resource 2: If a bill of lading is an evidence of contract of carriage, then what is a contract of carriage..?? ([Link](#))

Resource 3: Bill of Lading in Exports - Meaning & Types ([Link](#))

Resource 4: What is bill of lading? ([Link](#))

Resource 5: Bill Of Lading in Shipping: Importance, Purpose, And Types ([Link](#))

->Related Articles:



Article 1: International Shipping 101: Guidelines, Best Practices and Tips ([Link](#))

Article 2: A Guide To Using Shipping Labels For Your Online Store ([Link](#))

Article 3: Why is calculating Shipping Cost important? ([Link](#))

Article 4: How to Choose Shipping Carriers in Order Management ([Link](#))

Article 5: [2020 Guide] Upcoming Trends In Shipping Industry ([Link](#))