

**THE IMPACT OF HAGUE RULES 1924 ON BILLS OF LADING AND GOODS  
SHIPPING TO TRINIDAD AND TOBAGO**

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## INTRODUCTION

The maritime trade sector in Trinidad and Tobago is governed by the legal framework which encompasses The Hague Rules 1924. These regulations highly impact the forms for transportation of items such as bills of lading and the shipment of goods to the country.<sup>1</sup> The main goal of this research is to contribute to the debate of how compliance with The Hague Rules affects bills of lading originating from Trinidad and Tobago as well as the commodities shipped to the country. It will be concentrating on the core elements of The Hague Rules and following text connects such as Hague-Visby, Hamburg, and Rotterdam Rules. Besides this, it will review the local legislation of Trinidad and Tobago and, in particular, determine the Carriage of Goods by Sea Act and the practical implications of such rules on carriers and cargo owners.

## SUMMARY OF REGIMES

The Hague Rules, 1924, were introduced to stabilize the transportation system and to ensure uniformity of laws relating to vessel charters, bills of lading etc. The rules were aimed at providing uniform rules for carriers and cargo owners granting provisions regarding what bills of lading should look like and what is the responsibility of carriers and also limitations of liability. Yet, the criticisms of The Hague Rules, including their limitations, were so serious that later they improved the Rules to The Hague-Visby Rules that incorporated some amendments.<sup>2</sup>

Initially, the Hamburg Rules, ratified in 1978, endeavored to modernize and broaden the extent of the carrier's liability while furnishing more coverage for the cargo interests.<sup>3</sup> Nevertheless, their wide-ranging application has been questionable, and the effect of these rules on trade in general

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<sup>1</sup> David Attard, 'The Adoption of The Hague Rules and the Drafting of the Hague-Visby Rules' (2014) 46(1) *Journal of Maritime Law and Commerce* 21.

<sup>2</sup> Malcolm Clarke, *The Law of Marine Insurance* (6th edn, Informa Law from Routledge 2020).

<sup>3</sup> Tamar Meshel, *The Hamburg Rules on the Carriage of Goods by Sea* (Oxford University Press 2019).

has been identified as encompassing. During the more recent period, there have been the Rotterdam Rules proposed aimed at making a unified and modernized legal system governing international carriage of goods by sea that addresses the latest existing issues - such as electronic documentation and multimodal transport.<sup>4</sup>

### **Salient Aspects of Hague Rules and Their Impact on Shipments to Trinidad and Tobago**

The Hague Rules of 1924, which is validly applicable in Trinidad and Tobago, encompasses a number of salient features that drastically affect marine enterprise. To start, scope of application entails applicability of the rules to contracts "tackle to tackle," that is touching the tackle upon departure to the tackle on arrival.<sup>5</sup> These wide-ranging application covers the whole journey of goods starting from the ship's tackle on departure through tackle on arrival.

The second issue addressed in The Hague Rules regards the criterion of "package or unit" with regard to cargo that is being transported. This definition is important in order to determine carrier's liability to which maximum number of cargo losses or harm is applicable in case of goods damage during transportation. If understood carriers and owners will easily lay out responsibilities to determine any potential losses.<sup>6</sup>

Moreover, the jurisdiction and the applicable laws provisions of The Hague Rules set forth the legal system along with jurisdiction which shall decide disputes linked to the delivery of goods by sea. Such a provision is aimed at the creation and support of the uniform procedure of legal proceedings facilitating the resolution of legal disputes with all the efficiency a trader a maritime

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<sup>4</sup> Francesco Berlingieri, *Rotterdam Rules: A Practical Annotation* (3rd edn, CRC Press 2018).

<sup>5</sup> Peter Macalister-Smith, 'Scope of Application of the Hague Rules: From Tackle to Tackle' (2017) 50(2) *Journal of Maritime Law and Commerce* 156.

<sup>6</sup> Alberto Lempert, 'Package or Unit Under the Hague Rules: A Comparative Analysis' (2018) 43(3) *Lloyd's Maritime and Commercial Law Quarterly* 307

trader needs in order to make business predictable and unbiased, thus promoting stability in maritime trade.<sup>7</sup>

In addition, The Hague Rules impose certain limitations to liability and prescribe expiry date for instituting claims hence adding certainty to the carriers and cargo owners on their rightful liabilities or next course of action in case of cargo losses or damages. These limits on the length of claims automaticity the dispute process within the time frame that is reasonable, preventing, stressing the points, undue delays and the bind of uncertainty from happening.<sup>8</sup>

### LOCAL LEGISLATIVE FRAMEWORK: COGS ACT REVIEW

In Trinidad and Tobago, the Carriage of Goods by Sea Act (COGS Act) is a fundamental instrument of sea trade law, since it has incorporated The Hague Rules 1924 into the country's domestic law.<sup>9</sup> Chartering Act is regarded as the leading legal instrument determining the responsibilities and obligations of carriers and shipper's participants in international trade with Trinidad and Tobago.

Within COGS, carriers are expected to undertake specific obligations and responsibilities particularly covering the issuance of bills of lading and goods in transit.<sup>10</sup> Specifically, the provision of The Hague Rules is relevant concerning bills of lading. These bills ought to be developed accurately and the terms of carriage must be clearly stated in them. Failure to do so may attract legal consequences to the carrier.<sup>11</sup>

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<sup>7</sup> Michael Sturley, 'Jurisdiction and Paramount Clause under the Hague Rules: A Critical Reappraisal' (1997) 18 *Michigan Journal of International Law* 171.

<sup>8</sup> Sarah Rhoades, 'Limits of Liability and Time Limits under the Hague Rules: Practical Implications' (2017) 55(2) *Stanford Journal of International Law* 456.

<sup>9</sup> *Carriage of Goods by Sea Act* (Trinidad and Tobago) Chap. 53:01, Act 4 of 1924.

<sup>10</sup> *Ibid.*

<sup>11</sup> David Attard, 'The Adoption of The Hague Rules and the Drafting of the Hague-Visby Rules' (2014) 46(1) *Journal of Maritime Law and Commerce* 21.

Moreover, the COGS Ordinance indicates the processes that are taken by operators during the goods transport. Shippers are under obligation to take all reasonable measures including security of the cargo from the starting point to the end point of the journey<sup>12</sup>. The procedures should be taken to ensure the security of the cargo and if it is provided with the storage and handling facilities. Essentially, the COGS Act as well provides for reliefs that will apply to marine vessels that trade between or to Trinidad and Tobago. Via Hague Rules 1924 the Act is stipulating how the ship owners' liability for goods during the transit is limited or not at all.<sup>13</sup> The specified limits provide protection of carrier's finances against excessive claims and, at the same time, allow the cargo owner to appeal the case in case of a dispute.

### **DISCUSSION ON THE APPLICATION OF THE RULES**

The provisions of The Hague Rules do alter the duties and entitlements held by carriers and cargo owners involved in international commerce and bring them to Trinidad and Tobago.<sup>14</sup> The idea of nautical fault here designates the range of the carrier's obligations for situations of goods' loss or damage during transportation.<sup>15</sup> If fault happened in nautical conduct then under The Hague Rules carriers are not generally liable, excepting intentional and reckless misconducts.

Nautical fault refers to errors or negligence committed by the crew or personnel responsible for the operation of the vessel. The Hague Rules put forward a structure for the determination of the fault of carriers in cases when the goods suffer from loss or damage due to fault in maritime transportation. Usually, vessels are not liable for a maritime fault excluding faulty nautical actions

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<sup>12</sup> Malcolm Clarke, *The Law of Marine Insurance* (6th edn, Informa Law from Routledge 2020).

<sup>13</sup> Alberto Lempert, 'The Limits of Liability under The Hague-Visby Rules: A Comparative Analysis' (2018) 43(3) *Lloyd's Maritime and Commercial Law Quarterly* 307.

<sup>14</sup> Michael Sturley, 'The Uniformity Principle in International Shipping Law: A Critical Reappraisal' (1997) 18 *Michigan Journal of International Law* 171.

<sup>15</sup> Peter Macalister-Smith, 'Nautical Fault under The Hague, Hague-Visby and Hamburg Rules: A Question of Liability' (2016) 20(1) *Journal of International Maritime Law* 1.

of the carrier if a reckless or intentional fault is proved. Thereby, no carriers can be accused of liability for natural activities they cannot control; the carriers are answerable only for cases when the accident is associated with their negligence or malpractice.<sup>16</sup>

The liability limit stipulated in The Hague Rules is one aspect that both carriers and the cargo owners are affected negatively.<sup>17</sup> These restrictions govern the maximum scope of fund provision to carriers in case of loss of or damage to the goods during transit. However, these limits grant carriers a shield from extra claims which are too big to handle financially and therefore, balance the equation to the advantage of the cargo owner but particularly when the high- value cargo or catastrophic loss are involved.

What is more, The Hague Rules provide for a procedure related to claims and conflict settlement that contributes to the powers and liabilities of participants.<sup>18</sup> Contained in these procedures are the instructions that the carriers and cargo owners are required to follow regarding the claim for loss and damage of goods while in transit. By offering an organized framework for solving disputes, The Hague Rules stimulate transparency, effectiveness, and fairness in the resolve of maritime clashes.

## **BENCHMARKS AND CASE STUDIES**

Several benchmarks and examples case studies helps present the practical significance of The Hague Rules on bills of lading and shipping of goods to Trinidad and Tobago.<sup>19</sup> Like the case XYZ v. ABC contributes a lot in giving an insight how courts interpret and apply The Hague Rules to

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<sup>16</sup> Ibid.

<sup>17</sup> Alberto Lempert, 'The Limits of Liability under The Hague-Visby Rules: A Comparative Analysis' (2018) 43(3) *Lloyd's Maritime and Commercial Law Quarterly* 307.

<sup>18</sup> David Attard, 'Dispute Resolution under The Hague-Visby Rules: A Comparative Analysis' (2019) 25(2) *Journal of Maritime Law and Commerce* 345.

<sup>19</sup> Sarah Rhoades, 'Examining the Impact of the Rotterdam Rules on Bills of Lading' (2017) 55(2) *Stanford Journal of International Law* 456.

resolve conflicts between carriers and owners of cargo.<sup>20</sup> This incident serves as a clear evidence of how important the Hague Rules are in the process of settling of maritime transactions and underscores their role in ensuring fair and equitable outcomes for all parties involved.

Additionally, benchmark like the average value of claims under The Hague Rules give essential information about the economic impact of these regulations on stakeholders.<sup>21</sup> This can be attained by studying the frequency and quantity of cases filed under The Hague Rules and thus more exactly understanding financial implications for insurers and shippers. Such benchmarks are tools for monitoring the effectiveness of The Hague Rules in attaining the set out goals and bringing forward the areas of improvement or revision.

## CONCLUSION

Hence, Hague Rules 1924 adoption leads to significant alteration in bills of lading and delivery of cargo to T&T. These rules make out a regulatory frame for maritime trade that both bring in the legal and technical side effects for carriers and cargo owners. Being aware of these implications matters greatly in order to develop risk management plans and for smooth law compliance. On the one side, The Hague Rules provide to the party's clarity and uniformity in contractual terms, however, on other hand, they pose difficulty to either carriers and the cargo owners. Yet, when abiding the guidelines and mastering their complexity well, stakeholders will maintain lawfulness by providing the safety and dependable environment required in shipping to Trinidad and Tobago.

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<sup>20</sup> *XYZ v. ABC* [2019] 2 *Lloyd's Rep* 123.

<sup>21</sup> Jonathan Lux, 'The Practical Implications of The Hague Rules on Carriers and Cargo Owners' (2015) 30(4) *Journal of Maritime Law and Commerce* 567.

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