

OCEAN FREIGHT CONTRACTS IN VIETNAM: KEY LEGAL FEATURES



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1. CONTRACTS FOR OCEAN FREIGHT AS DEFINED IN VIETNAMESE LAW

A contract for the carrying goods by sea, as stated in Clause 1 of Article 145 of the Vietnam Maritime Code 2015 refers to the arranged carriage of freight by a carrier, in exchange for the Shippers payment.

Subject to the contract, the carrier will transport the freight between the port where it was loaded, to the port that it is to be discharged.

According to Clause 2 of Article 145, the term 'goods' as used in the statute refers to a wide range of movable property including materials, equipment, and livestock.

2. TYPES OF CONTRACTS FOR OCEAN FREIGHT

According to Article 146 of the Vietnam Maritime Code 2015 there are two types of Contracts for the carriage of Ocean freight in Vietnam. Bills of lading, and voyage contracts.

A bill of lading is a contractual agreement between the shipper and carrier, where the carrier will only ship the agreed goods subject to the specified type, amount or size that is stated in the contract. A contractual bill of lading is concluded when both parties agree to do so, in an agreed upon form.

A secondary kind of contract for the transport of ocean freight is known as a voyage charter party. In this contract the carrier must provide the whole ship or a particular part of it to the shipper, for the transporting of the shipper's goods. These contracts must be concluded in writing.

3. PARTIES WITHIN A CONTRACT FOR OCEAN FREIGHT

As described at Article 147 of the Vietnam Maritime Code 2015, parties that may be present within a contract for ocean freight in Vietnam include the charterer, the carrier, the actual carrier, the shipper, and the consignee.

The charterer is the person who has authorized another ('the shipper') to enter a contract for the Carriage of ocean freight, or enters it themselves, in which case they are 'the shipper'.



The shipper may also be referred to as a consignor if they directly deliver the goods or are entrusted to do so under a contract for the carriage of ocean freight. In a bill of lading the term shipper is exclusively used.

The carrier may either be a person who concludes the contract for carriage of ocean freight contract themselves or authorizes another party to conclude the contract. The person who is authorized by the carrier to perform the carriage wholly or partially under contract is known as 'the actual carrier'.

The person who receives the Ocean freight after it has been delivered to the port and discharged is known as the Consignee. As described in Article 162, the bill of lading is endorsed each time it is passed between the parties to it. The final endorser who has the right to issue a return order is the legal consignee.

4. DOCUMENTATION IN A CONTRACT FOR OCEAN FREIGHT

Documents featured in these types of contracts are listed on Article 148 of the Vietnam Maritime Code 2015. These include Bills of lading, sea waybills and other transport documents with contents/value agreed upon by both the carrier and shipper.

A bill of lading as made clear in Clause 2 is a transport document which provides the evidentiary basis for concluding multiple things relating to a transaction for ocean freight.

- Evidence that the carrier has received the freight in a type, amount, and condition consistent with what is listed in the bill of lading, for the purpose of carrying the freight to the port where it will be discharged.
- Provides evidence to show who owns the goods that are being carried.
 Therefore, the bill of lading is used at times when the freight is received or disposed.
- Importantly a bill of lading is used as evidence that there is a contract between the parties for the carrier to transport the Shippers' goods between the loading and discharging ports.

A Seaway bill is a non-transferable document that solely serves as evidence that the freight stated in the bill has been received by a party. It shows that there is a contract for the goods listed in the bill to be carried by sea.

The article contains general information which is of reference value, in case you want to receive legal opinions on issues you need clarification on, please get in touch with our Lawyer at info@cdlaf.vn





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