



## New IATA Air Waybill Conditions of Contract effective 1 July 2010

The amended Air Waybill (AWB) Conditions of Contract (Resolution 600b) that harmonizes the application of the Montreal Convention liability limit for the transportation of air cargo across all routes worldwide has become effective on **1 July 2010** after receiving the necessary regulatory approval. This is part of continuing industry efforts to simplify the air cargo business and enhanced efficiency to shippers and forwarders.

The amendment to **Resolution 600b** standardizes the application of the 19 Special Drawing Rights (SDRs) Montreal Convention liability limit to all routes worldwide. Following are the advantages derive from the change:

- Increased certainty for claims handling and service determination
- Increased accuracy for claims procedures by standardizing the various regimes
- The single global standard eliminates the uncertainty that existed where there was no applicable convention, or where existing conventions were out-of-date or required conversions from non-existing currencies, such as French gold francs.

IATA advocates the global adoption of the Montreal Convention, which provides a secure legal foundation for e-freight initiative and supports the move towards the implementation of the electronic Air Waybill (e-AWB).

The acceptance by airlines of the Montreal Convention liability limit standard on all routes is a step forward for the air cargo industry. Governments also need to do their part by ratifying the Montreal Convention. This will pave the way for the expedited implementation of e-freight globally. IATA will continue to engage governments for the adoption of the Montreal Convention.

### Frequently Asked Questions

#### **1. Are the footnotes in Resolution 600b to be printed on the reverse of the AWBs?**

No. The footnotes are not to be printed on the AWBs.

#### **2. What were the applicable liability limits prior to the new Resolution 600b?**

Prior to the new Resolution 600b, airlines had to administer multiple liability limits depending on the applicable regime, such as:

- 250 French gold francs per kilogram under the Warsaw Convention (unamended)
- 17 Special Drawing Rights (SDRs) per kilogram under the Warsaw Convention amended by Montreal Protocol No. 4
- 19 SDRs per kilogram under the Montreal Convention 1999
- 19 SDRs per kilogram for all carriage to or from the United States

#### **3. What is the SDR and how is it converted to local currencies?**

The SDR is defined by the International Monetary Fund (IMF). More information can be found on the IMF website.

#### **4. According to Article 22.3 of the Montreal Convention 1999 (MC99) the liability for the carrier is 17 SDR/kilogram. Why is it mentioned that the limit under this Treaty is 19 SDR/kilogram?**



Under Article 24 of the Convention, every 5 years ICAO can review the limits based on an inflation factor. Last year ICAO updated the liability limits for damage, delay or destruction of cargo from 17 SDR/kilogram to 19 SDR/kilogram based on the inflation factor.

#### **5. Is Resolution 600b mandatory from 1 July 2010?**

As of 1 July 2010, the new Resolution 600b is declared effective and binding on all IATA Members including those non-Member Carriers interlining through the Multilateral Interline Transport Agreement.

#### **6. Does Resolution 600b apply to Express and Courier shipments also?**

Resolution 600b was established to facilitate proper handling and facilitation of IATA multilateral cargo interlining among its Member airlines including those non-Member airlines signatory to the "Multilateral Interline Transport Agreement - Cargo" (MITA).

Express shipments are typically handled outside of the regular cargo process with single entity control - i.e. not interlined. If the express company wishes to interline with other IATA carriers through the MITA, it would have to use the standard IATA air waybill with the currently effective Conditions of Contract found in Resolution 600b printed on the reverse. If they are not interlining with other IATA Carriers through the MITA, they are free to apply their own standards, procedures and protocols (including their own Conditions of Contract) for their express shipments.

#### **7. Is Resolution 600b available in Spanish or French?**

Resolution 600b is published by IATA in English only.

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