

BOLERO RULEBOOK

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Part 1. Definitions and Interpretation

1.1. Definitions

- (1) **Applicant User:** A User who instructs a bank to issue a Documentary Credit.
- (2) **Authority:** Any central, national, state, provincial or local government; any agency of such government; or any body or person empowered to make regulations or issue directions or requirements legally enforceable against the User in relation to the:
 - (a) administration of any seaport, canal, waterway, airport, road or railway;
 - (b) import, export or transport of goods;
 - (c) transfer of any cash or securities;
 - (d) imposition of any tax or duty; or
 - (e) enforcement of law.
- (3) **Accept, Acceptance:** In relation to a Certificate, to manifest approval of a Certificate, whether expressly or by implication such as by creating a Digital Signature Verifiable by reference to that Certificate.
- (4) **Annual Charge:** The lump sum fee payable annually by a User as set out in the Charges Schedule to the Operational Service Contract.
- (5) **BAL Service Contract:** The contract between Bolero Association Limited and each User, as amended from time to time.
- (6) **BBL Text:** A Document which:
 - (a) is sent into the Core Messaging Platform and recorded in the Title Registry as the documentary component of the Bolero Bill of Lading; and
 - (b) acknowledges the receipt of goods by a Carrier for carriage by sea.
- (7) **Bearer Holder:** A User who is or becomes Designated a Holder of a Blank Endorsed Bolero Bill of Lading.
- (8) **Beneficiary User:** A User who is designated under a Documentary Credit as the party to whom, or to whose order, payment is to be made or whose bills of exchange are to be accepted and paid.
- (9) **Blank Endorse:** To render, by the process described in the Operating Procedures, a Bolero Bill of Lading capable of transfer simply by Designation of a new Bearer Holder.
- (10) **Bolero Association:** The Bolero Association Limited, a corporate body created to represent the Users of the Bolero System and to perform administrative and disciplinary functions assigned to it by the BAL Service Contract.

- (11) **Bolero Bill of Lading:** A BBL Text together with its related Title Registry Record.
- (12) **Bolero Certificate:** A Certificate for use in the Bolero System and listing a Public Key used to Verify the Digital Signature on a Message Digitally Signed by a User.
- (13) **Bolero Header:** The part of a Message indicating its type and function within the Bolero System and conveying data into the Bolero System's logs, User Database, Title Registry, and other records, and, in some cases, prompts one or more actions by the Bolero System.
- (14) **Bolero International:** The owners or operators of the Bolero System for the time being, or their successors in title.
- (15) **Bolero Services:** The services supplied by the Bolero System as set out in the Operational Service Contract.
- (16) **Bolero System:** The business processes and methods, together with the digital information system, which are provided by Bolero International for communicating Messages and Documents and facilitating business transactions, as well as the Bolero Rulebook and Operating Rules governing their use. The Bolero System does not include any system, software, or equipment whose use is expressly limited to testing and/or non-binding transactions by agreement with Bolero International.
- (17) **Carrier:** A User which contracts with another User to carry goods by any means of transport, regardless of whether the Carrier is the owner or operator of the means of transport used. Synonym: Originator.
- (18) **Certificate:** A unit of information which, at a minimum:
 - (a) lists its Issuer by name;
 - (b) lists a Public Key;
 - (c) lists by name, or otherwise indicates, a User holding the Private Key corresponding to the listed Public Key;
 - (d) is Digitally Signed by its Issuer; and
 - (e) has the meaning consistent with this definition ascribed to it in its Documentary Form.
- (19) **Certifier:** A person that Issues one or more Certificates to Users. The Certifier which issued a particular Certificate is also termed its "Issuer".
- (20) **Chartered Bill of Lading:** An acknowledgement by a Carrier of the receipt of goods for carriage on board its ship in respect of which there is a charterparty, other than a bareboat or demise charter, concurrently in force in respect of the use of the ship either for the same voyage (voyage charter) or for a period of time (time charter) within which the said carriage is to take place.
- (21) **Consignee:** A User Designated as such, being thereby identified as the party to whom delivery of the goods must be made by the Carrier and also indicating the intention to make the Bolero Bill of Lading non-transferable

- (22) **Consignee Holder:** A User simultaneously Designated as Consignee and Holder of a Bolero Bill of Lading.
- (23) **Core Messaging Platform:** The messaging system of the Bolero System as described in the Operating Procedures.
- (24) **Designate:** To name or appoint a User to a role in the Title Registry. “Designation” means the act of Designating or the state of having been Designated.
- (25) **Digital Signature:** A mathematical result calculated from a unit of digital information and a Private Key, such that one having the unit of information and the corresponding Public Key can, through Verification, accurately determine (1) whether that mathematical result was created using that Private Key, and (2) whether the unit of information has been altered since that mathematical result was calculated.
- (26) **Document:** A contract, bill, or other unit of substantive, often textual, information sent as a subdivided part of a Message. Synonyms: Attachment, attached Document.
- (27) **Documentary Credit:** Any documentary credit, including standby letters of credit, as defined by The Uniform Customs and Practice for Documentary Credits or the International Standby Practices 1998, both of the International Chamber of Commerce, in effect at the time of the issue of the documentary credit.
- (28) **Documentary Form of a Certificate:** A textual interpretation of a Certificate authorised by its Issuer.
- (29) **Enrol:** To become a User of the Bolero System through the BAL Service Contract and Operational Service Contract. “Enrolled” means to have become and to remain a User in accordance with those contracts.
- (30) **Head Charter:** A charterparty contract, other than a charter by demise or bareboat charter, between a Carrier, as owner or disponent owner of a ship and another User as charterer, for the use of the Carrier’s ship for the purpose of carrying cargo either for a specific voyage or series of voyages or for a period of time.
- (31) **Head Charterer:** A User who has entered into a Head Charter with a Carrier.
- (32) **Holder-to-order:** A User who is or becomes simultaneously Designated both Holder and To Order Party of a Bolero Bill of Lading.
- (33) **Holder:** A User who is or becomes Designated to the role of Holder. “Holdership” is the status of being a Holder. A User may be the Holder of a Bolero Bill of Lading without occupying another Role, or Holdership may be joined to another role as in the case of a Holder-to-order, Bearer Holder, Pledgee Holder, or Consignee Holder.
- (34) **Issue a Certificate:** To list oneself as Issuer in a Certificate and Digitally Sign that Certificate.
- (35) **Issuer:** With reference to a Certificate, the Certifier which Issued the Certificate.

- (36) **Key Pair:** In a scheme of asymmetric or Public Key cryptography, a Private Key and its mathematically related Public Key, which together have the property that the Public Key can Verify a Digital Signature that the Private Key creates.
- (37) **Message:** Any communication, notice or other information sent through the Bolero System as described in the Operating Procedures.
- (38) **Operating Procedures:** The document by that title appended to the Rulebook.
- (39) **Operational Rules:** Those parts of the Operating Procedures which contain mandatory provisions and designated as Operational Rules in the Operating Procedures.
- (40) **Operational Service Contract:** The standard form contract between each User and Bolero International, as amended from time to time.
- (41) **Originator:** See “Carrier”, paragraph (17) above.
- (42) **Pledgee Holder:** A User who is or becomes Designated as both Pledgee and Holder simultaneously.
- (43) **Private Key:** The key of a Key Pair used to create a Digital Signature.
- (44) **Public Key:** The key of a Key Pair used to Verify a Digital Signature.
- (45) **Revoke:** In relation to a Certificate, to include the Certificate in a class of Certificates, for which the Issuer of the Certificates gives notice that they (each or together) are Revoked.
- (46) **Rulebook:** The Bolero Rulebook, as amended from time to time, governing the relationship between Users and their rights and obligations arising from the Bolero System.
- (47) **Sea Waybill:** A Document, other than a BBL Text or a Ship’s Delivery Order, which is such a receipt for goods as contains or evidences a contract for the carriage of goods by sea and identifies a User to whom delivery of the goods is to be made by the Carrier in accordance with that contract.
- (48) **Shipper:** A User which is the original contracting party with whom a Carrier enters into the contract for the carriage of goods.
- (49) **Ship’s Delivery Order:** A Document, other than a BBL Text or a Sea Waybill, which contains an undertaking to the User identified in the Document to deliver identified goods to that User, given under or for the purposes of a contract of carriage of those goods or of goods which include those goods.
- (50) **Signed:** Properly Digitally Signed, which is to say, bearing a Digital Signature which can be Verified using the Public Key listed in a Certificate Issued by Bolero International and which was a Valid Certificate when the Digital Signature was created.
- (51) **Surrender:** The presentation of a Bolero Bill of Lading to the Carrier or another User appointed by the Carrier, in accordance with the Operational Rules, in order to obtain delivery of the goods at the end of the carriage.

- (52) **Surrender Party:** A User who is or becomes Designated as such and thereby identified as the person to whom the Bolero Bill of Lading must be presented to obtain delivery of the goods at the end of the carriage.
- (53) **Title Registry:** An application operated by Bolero International and providing:
- (a) the means to execute the functions relating to Holdership and transfer of Bolero Bill of Lading;
 - (b) a record of the status of current Bolero Bills of Lading; and
 - (c) an audit trail of dealings with such Bolero Bills of Lading.
- (54) **Title Registry Instruction, Instruction:** The portion of a Bolero Header which directs the Title Registry to enter or change certain specified information in the Title Registry Record for a specified Bolero Bill of Lading.
- (55) **Title Registry Record:** The structured information kept in the Title Registry, linked to the BBL Text, and derived from Title Registry Instructions involving the related Bolero Bill of Lading.
- (56) **Transport Document:** Any Document originated by a Carrier which is either a Sea Waybill or a Ship's Delivery Order.
- (57) **To Order Party:** A User Designated as such who is not also designated as the Holder of the Bolero Bill of Lading.
- (58) **User:** A person who is Enrolled as a User of the Bolero System.
- (59) **User Database:** The records concerning Users kept in the Bolero System.
- (60) **Root Identifier:** A name uniquely identifying a User within the Bolero System.
- (61) **User Support Resources:** The support services as well as the online information and functions provided by the Bolero System via a secured WorldWide Web interface.
- (62) **User System:** The means by which a User connects with and utilises the Bolero System. It includes the digital networking connection to the Bolero System to be established by the User pursuant to the Operational Service Contract, software and hardware for composing, sending, and receiving Messages, reading or processing Documents, as well as computer security facilities and other components.
- (63) **Valid Certificate:** A Certificate which is valid according to the terms specified in its Documentary Form. If no such terms are specified or available to a User relying on that Certificate, the Certificate is valid if has been signed by its Issuer and has not expired on its face or been Revoked as set out in the Operating Procedures.
- (64) **Verify, Verification:** In relation to a given Digitally Signed Message and Public Key, to determine accurately that:
- (a) the Digital Signature on the Message was created by the Private Key corresponding to that Public Key; and
 - (b) that the Message has not been altered since its Digital Signature was created.

1.2. Interpretation

- (1) **“May” and “Shall”.** “May” shall be construed as permissive. “Shall” shall be construed as imperative.
- (2) **Singular Includes Plural.** Words importing only the singular number shall include the plural number and vice versa.
- (3) **Gender.** Words importing only the neuter gender shall include the masculine and feminine genders. Words importing persons shall include companies or associations or bodies of persons whether incorporated or unincorporated.
- (4) **English.** This document is drafted in the English language, and its original English version is controlling in all questions of interpretation.

Part 2. General Provisions

2.1. Scope and Application

2.1.1. Parties

- (1) **Effect as Agreement between Users.** The Rulebook constitutes an agreement between Users, and between each User and the Bolero Association acting on its own behalf, and on behalf of all other Users from time to time, and, where necessary, on behalf of Bolero International.
- (2) **Obligations between Users.** The Bolero Association and Bolero International do not undertake or accept any responsibility for the performance of any obligation or duty owed by one User to any other User under this Rulebook or otherwise.
- (3) **Effect of Service Contracts.** No liability on the part of the Bolero Association or Bolero International to any User shall arise except under and in accordance with the terms of, in the case of the Bolero Association, the BAL Service Contract, and in the case of Bolero International, the Operational Service Contract.

2.1.2. Applicability

- (1) **Rulebook.** Each User agrees, when Enrolling into the Bolero System, to be bound by this Rulebook..
- (2) **Incorporation of Operating Procedures.** The Operating Procedures describe the Bolero System and provide factual background. They are hereby incorporated into it as if fully set forth herein.
- (3) **Operational Rules.** Portions of the Operating Procedures are labelled “Operational Rules” (abbreviated “Op. Rule”). The Operational Rules are binding obligations according to their terms, the same as any other obligation of this Rulebook. The remaining descriptive portions of the Operating Procedures are in the nature of non-mandatory recitals.
- (4) **Inapplicable to Bolero Test Bed and Other Systems.** This Rulebook and the Operating Rules shall not apply to any Message, Document, or Title Registry Instruction that is not sent via the Bolero System, or to a Bolero Bill of Lading whose BBL Text was not a Document sent via the Bolero System.

2.1.3. Enrolment

- (1) **Bolero Association's Requirements.** Each User affirms that it has fully complied with the requirements of the Bolero Association regarding Enrolment.
- (2) **Information Provided During Enrolment.** Each User warrants that the information that it provides to the Bolero Association and/or Bolero International in connection with Enrolment is accurate and complete. Further, the User shall promptly notify the Bolero Association and Bolero International if any information previously provided becomes inaccurate or misleading.

2.2. Messages

2.2.1. Operations

- (1) **Authentication.** Each User agrees that all Messages sent by it or on its behalf via the Bolero System shall:
 - (a) be Signed by it;
 - (b) identify the sender; and
 - (c) identify the recipient.
- (2) **Presumption of Sending.** A User shall be presumed to have sent a Message as soon as the User has Signed and sent the Message in accordance with the Operational Rules.
- (3) **Presumption of Receipt.** A User shall be presumed to have received a Message as soon as Bolero International has correctly forwarded the Message to such User in accordance with the Operational Rules.
- (4) **Equipment and Applications.** Each User shall operate a User System that the User shall take all reasonable care to maintain in good order.
- (5) **Misdelivery.** If a Message which is clearly addressed to one User is delivered to another, the User in receipt of the misdelivered Message shall:
 - (a) return the Message to its sender via the Bolero System as soon as the error is discovered;
 - (b) take reasonable measures to refrain from storing or retaining any copy of the Message; and
 - (c) treat the information contained in the Message as confidential and not use or disclose it for any purpose.

2.2.2. Validity and Enforceability

- (1) **Writing Requirements.** Any applicable requirement of law, contract, custom or practice that any transaction, document or communication shall be made or evidenced in writing, signed or sealed shall be satisfied by a Signed Message.
- (2) **Signature Requirements.** The contents of a Message Signed by a User, or a portion drawn from a Signed Message, are binding upon that User to the same extent, and shall have the same effect at law, as if the Message or portion thereof had existed in a manually signed form.
- (3) **Undertaking not to Challenge Validity.** No User shall contest the validity of any transaction, statement or communication made by means of a Signed Message, or a portion drawn from a Signed Message, on the grounds that it was made in electronic form instead of by paper and/or signed or sealed.

2.2.3. Messages as Evidence

- (1) **Admissibility.** Each User agrees that a Signed Message or a portion drawn from a Signed Message will be admissible before any court or tribunal as evidence of the Message or portion thereof.
- (2) **Primary Evidence.** In the event that a written record of any Message is required, a copy produced by a User, which Bolero International has authenticated, shall be accepted by that User and any other User as primary evidence of the Message.
- (3) **Authenticated Copies to Prevail.** Each User agrees that if there is a discrepancy between the record of any User and the copy authenticated by Bolero International, such authenticated copy shall prevail.

2.2.4. Responsibility for Messages

- (1) **Private Key Security.** Each User is responsible for all Messages Signed by means of its Private Key, regardless of any failure to maintain the security of its own Private Key.
- (2) **Site Security.** Each User is responsible for implementing all necessary security procedures and measures at its site to ensure that data transmissions to and from the Bolero System are protected against unauthorised access, alteration, delay, loss or destruction.

2.2.5. Notice

Each User undertakes to give immediate notice to Bolero International and to comply with the relevant Operational Rules, in the event that its Private Key has been lost or compromised or it has reasonable grounds for believing that such Private Key has been or may be misused, or used by an unauthorised person.

2.3. Illegality

- (1) **Compulsory Requirements.** Each User undertakes to comply with any compulsorily applicable legal requirements as to the permitted form in which data may be transmitted electronically and as to the content of such data.
- (2) **Illegal Trading and Transfers.** Users shall not use the Bolero System for the transmission of Messages in the course of or to facilitate any:
 - (a) illegal trading,
 - (b) trading of goods which are contraband, or
 - (c) illegal transfers of money.
- (3) **Compliance with Regulations.** Each User is responsible for ensuring that it complies with any law or regulation applicable to any transaction in which it participates via the Bolero System and for the observance of regulations relating to data protection or encryption.

2.4. Consequences of Resignation or Termination

- (1) **Messages.** When a User ceases to be Enrolled, that User shall ensure that:
 - (a) all its existing Messages sent from the Bolero System before the effective date of termination are collected and read;
 - (b) all other Users from whom it expects to receive Messages are advised of its departure from the Bolero System; and
 - (c) it takes all reasonable steps to give other Users the necessary information to enable future communications to be received by it.
- (2) **Switch to Paper by Terminated User.** If, at the time of the termination of a User's right of access in accordance with the provisions of the Operational Service Contract or the BAL Service Contract, that User is a Holder, Holder-to-order, Bearer Holder, or a Pledge Holder of a Bolero Bill of Lading, it shall follow such instructions as Bolero International or Bolero Association may give, including, but not limited to, an instruction to initiate the Switch to Paper procedure under Rule 3.7 (Switch to Paper). Neither Bolero International nor the Bolero Association shall, however, be under any obligation to issue such instructions.

2.5. Miscellaneous

- (1) **Partial Invalidity.** If any provision in this Rulebook is held to be invalid, illegal or unenforceable by any competent court, tribunal or regulatory body, such invalidity, illegality or unenforceability shall attach only to that provision, and:

- (a) the validity legality or enforceability of the remaining provisions shall not be affected and this Rulebook shall apply as if such invalid, illegal or unenforceable provisions had not been included;
 - (b) the validity, legality or enforceability in any other jurisdiction of the offending or any other provision shall not be affected.
- (2) **Applicable Law.** This Rulebook is governed by and shall be interpreted in accordance with English Law.
- (3) **English Jurisdiction.** Where the sole matter at issue between the parties is a claim for non-compliance with or breach of this Rulebook, all proceedings in respect of such claim shall be subject to the exclusive jurisdiction of the English courts.
- (4) **Non-exclusive Jurisdiction.** Any other dispute arising out of this Rulebook shall be subject to the non-exclusive jurisdiction of the English courts. Nothing in this Rule 2.5 limits the right of a User to bring proceedings in connection with this Rulebook, other than those which fall within paragraph (3) of Rule 2.5, in any other court or tribunal of competent jurisdiction.

Part 3. Bolero Title Registry

3.1. Creation of a Bolero Bill of Lading

(1) **Contents of BBL Text and Identification.** Each Carrier agrees that any Message sent by him as a Bolero Bill of Lading other than a Message intended to operate as a Chartered Bill of Lading shall, within the BBL Text:

- (a) include an acknowledgement by the Carrier of the receipt of goods shipped on board a vessel or received for shipment by that Carrier; and
- (b) contain or evidence the terms of the contract of carriage.

The Message shall be transmitted to the Title Registry.

(2) **Chartered Bills of Lading.** Where a Carrier creates a Bolero Bill of Lading intended to operate as a Chartered Bill of Lading and Designates the Head Charterer as Shipper and Holder, the BBL Text need not contain or evidence the terms of the contract of carriage between the Carrier and Head Charterer. The BBL Text shall, however, include an acknowledgement by the Carrier of the receipt of goods shipped on board a vessel or received for shipment by that Carrier.

(3) **Statements Relating to Goods Received.** Without prejudice to the generality of section 2.2.2, any statement a Carrier makes as to the leading marks, number, quantity, weight, or apparent order and condition of the goods in the BBL Text will be binding on the Carrier to the same extent and in the same circumstances as if the statement had been contained in a paper bill of lading.

(4) **Original Parties.** When a Carrier creates a Bolero Bill of Lading the Carrier must:

- (a) Designate a Shipper; and
- (b) Designate a Holder of the Bill of Lading, and
- (c) Either:
 - (1) Designate a To Order Party (who shall not be the same as the Designated Holder),
 - (2) Designate a Consignee (who shall not be the same as the Designated Holder), or
 - (3) Blank Endorse the Bolero Bill of Lading, thereby Designating the Holder as a Bearer Holder,

in accordance with the Shipper's instructions. In the absence of any instructions as to (b) or (c), the Carrier shall Designate the Shipper as the Bearer Holder.

3.2. Incorporation by Reference

- (1) **Standard Terms and Conditions.** In order to incorporate its standard terms and conditions, otherwise than by setting the said terms and conditions out in full in the BBL Text, a Carrier shall:
 - (a) Express in the BBL Text that external terms and conditions be incorporated into the BBL Text; and
 - (b) Indicate where such terms and conditions can be found and read, electronically or otherwise.
- (2) **Effect of Incorporation.** Each User agrees that such incorporation shall be effective to make such terms and conditions binding upon the parties to the contract of carriage.
- (3) **Incorporation of Charterparty Terms.** Without prejudice to the generality of section 2.2.2, each User agrees that words contained in the BBL Text incorporating the provisions of any charterparty shall have the same effect as if such wording had appeared as part of the written terms of a paper bill of lading issued by the Carrier
- (4) **International Conventions.** A contract of carriage in respect of which the Carrier has created a Bolero Bill of Lading shall be subject to any international convention, or national law giving effect to such international convention, which would have been compulsorily applicable if a paper bill of lading in the same terms had been issued in respect of that contract. Such international convention or national law shall be deemed incorporated into the Bolero Bill of Lading. In the event of a conflict between the provisions of any international convention or national law giving effect to such international convention and the other provisions of the contract of carriage as contained in the BBL Text, the provisions of that national law or that international convention shall prevail.
- (5) **Special Clauses.** The clause set out in the Annex shall form part of this Rulebook, in the circumstances in which it is applicable.

3.3. Rights over a Bolero Bill of Lading

- (1) **Transferability.** A Bolero Bill of Lading may be transferable or non-transferable.
- (2) **Making Transferable.** Where the Carrier intends to create a transferable Bolero Bill of Lading it shall Designate a To Order Party or Blank Endorse the Bill.
- (3) **Effect of Designating To Order Party.** If the Carrier Designates a To Order Party, the Carrier is thereby deemed to have agreed that:
 - (a) such To Order Party who becomes the Holder-to-order of the Bolero Bill of Lading can Designate a new To Order Party, a Pledgee Holder, a Bearer Holder or a Consignee; and
 - (b) any subsequent Holder-to-order, Pledgee Holder or Bearer Holder can do likewise.

- (4) **Effect of Blank Endorsement.** If the Carrier gives a Title Registry Instruction that the Bolero Bill of Lading shall be Blank Endorsed, it is thereby deemed to have agreed that:
 - (a) the Holder is a Bearer Holder and can Designate a new Bearer Holder, a To Order Party, a Holder-to-order, a Pledge Holder or a Consignee; and
 - (b) any subsequent Holder-to-order, Pledge Holder or Bearer Holder can do likewise.
- (5) **Holder To Order or Bearer Holder Not Shipper.** By creating a Bolero Bill of Lading in which it Designates a Bearer Holder who is not the Shipper, the Carrier thereby acknowledges that it holds the goods described in the Bolero Bill of Lading to the order of that Bearer Holder.
- (6) **Making Non-transferable.** If a Carrier Designates a Consignee, the Bolero Bill of Lading shall be non-transferable.
- (7) **Carrier's Responsibility for Compliance with Contract of Carriage.** The Carrier shall ensure that the Designations it makes in the Title Registry Instruction accurately reflect:
 - (a) the express or implied instructions of the Shipper and;
 - (b) the terms and effect of the contract of carriage as contained in or evidenced by the BBL Text; or
 - (c) in the case of a Chartered Bill of Lading in which the Head Charterer is Designated Shipper, the terms set out in the BBL Text as if the same were the terms of the contract of carriage.

3.4. Transfer of Possession

3.4.1. Procedure for Transfer of Possession.

- (1) **By Designation.** The transfer of constructive possession of the goods, after the creation of a transferable Bolero Bill of Lading, shall be effected by the Designation of:
 - (a) a new Holder-to-order,
 - (b) a new Pledge Holder,
 - (c) a new Bearer Holder, or
 - (d) a Consignee Holder.
- (2) **Effect of Designations.** The Carrier shall, upon Designation of such Holder-to-order, Pledge Holder, Bearer Holder or Consignee Holder, acknowledge that from that time on it holds the goods described in the Bolero Bill of Lading to the order of the new Holder-to-order, Pledge Holder, Bearer Holder or Consignee Holder, as the case may be.

- (3) **To Order Party Becomes Holder.** Where a new To Order Party is Designated, no transfer of constructive possession of goods shall take place until such time as the To Order Party also becomes Designated as Holder and so becomes a Holder-to-order.
- (4) **Consignee Becomes Holder.** Where a new Consignee is Designated, no transfer of constructive possession shall take place until such time as the Consignee also becomes Designated Holder.
- (5) **Refusal by Transferee.** If any Designated Holder-to-order or Consignee Holder refuses to accept the novation of the contract of carriage in accordance with Rule 3.5.2, the Carrier shall cease to hold the goods to the order of such Designated Holder-to-order or Consignee Holder and constructive possession of the goods shall remain with the immediately preceding Holder-to-order, Bearer Holder, Pledgee Holder or, if none, to the Shipper.
- (6) **Rejection by Pledgee.** Where a Designated Pledgee Holder rejects the Bolero Bill of Lading by returning Holdership to the immediately preceding Holder, the Carrier shall cease to hold the goods to the order of such Designated Pledgee Holder and the constructive possession of the goods will automatically revert to the immediately preceding Holder-to-order, Bearer Holder, Pledgee Holder or, if none, to the Shipper.

3.4.2. Bolero International as Carrier's Agent

Each Carrier hereby irrevocably appoints Bolero International as its agent for the following purposes:

- (a) To acknowledge that the Carrier holds the goods to the order of any Designated Holder-to-order, Pledgee Holder, Bearer Holder or Consignee Holder or Shipper under Rule 3.4.1 paragraphs 3.4.1(2), 3.4.1(5), or 3.4.1(6) (Procedure for Transfer of Possession.), and.
- (b) To receive notice of any refusal of any such transfer of possession by such Designated Holder-to-order, Pledgee Holder, Bearer Holder, or Consignee Holder.

3.5. Novation of the Contract of Carriage

3.5.1. Occurrence and Effect

The Designation of a new Holder-to-order or a new Consignee Holder after the creation of the Bolero Bill of Lading, other than one who is also the Head Charterer, shall mean that the Carrier, the Shipper, the immediately preceding Holder-to-order, if any, and the new Holder-to-order or Consignee Holder agree to all of the following terms in this section 3.5.1:

- (1) **New Parties to Contract of Carriage.** Upon the acceptance by the new Holder-to-order or Consignee Holder of its Designation as such, or, at the expiry of the 24 hour period allowed for the refusal of the transfer under Rule 3.5.2 (New Holder's Right to Refuse Designation), whichever is the earlier, a contract of carriage shall arise between the Carrier and the new Holder-to-order or Consignee Holder either:
 - (a) on the terms of the contract of carriage as contained in or evidenced by the BBL Text; or
 - (b) when the Shipper is a Head Charterer, on the terms set out or incorporated in the BBL Text, as if this had contained or evidenced the original contract of carriage.
- (2) **Accession to Rights and Liabilities.** The new Holder-to-order or Consignee Holder shall be entitled to all the rights and accepts all the liabilities of the contract of carriage as contained in or evidenced by, or deemed to be so contained in or evidenced by, the Bolero Bill of Lading.
- (3) **Prior Designee's Rights and Liabilities Extinguished.** The immediately preceding Holder-to-order's rights and liabilities under its contract of carriage with the Carrier shall immediately cease and be extinguished, unless:
 - (a) such immediately preceding Holder-to-order is also the Shipper, in which case its rights but not its liabilities under its contract of carriage with the Carrier shall cease and be extinguished; or
 - (b) such immediately preceding Holder-to-order is the Head Charterer, in which case neither its rights nor its liabilities under its contract of carriage with the Carrier shall cease or be extinguished.

3.5.2. New Holder's Right to Refuse Designation

- (1) **Refusal.** The new Holder-to-order or Consignee Holder may, within 24 hours of having received notification thereof, reject his Designation as new Holder-to-order or Consignee Holder in accordance with Operational Rule 30, in which case all rights and obligations under the contract of carriage between the previous Holder-to-order and the Carrier remain vested in the previous Holder-to-order, or if none, the Shipper, as if no attempt to novate the contract had been made.
- (2) **Acceptance.** If within the 24 hour period and before rejection of his Designation, the Designated Holder-to-order or Consignee Holder represents that it accepts the novation or attempts to exercise any rights to the goods, by taking delivery or commencing proceedings against the Carrier for loss of or damage to the goods or otherwise, it shall be deemed to have accepted its Designation at the time it was made for the purposes of Rule 3.5 (Novation of the Contract of Carriage). Any subsequent refusal given pursuant to paragraph (1) of this Rule 3.5.2 shall be void.

3.5.3. Pledgee Holders

- (1) **No Novation.** There shall be no novation of the contract of carriage between the Carrier and a Pledgee Holder as such.
- (2) **Pledgee Holder who is also To Order Party.** A Pledgee Holder that is also the current To Order Party enforcing its pledge over a Bolero Bill of Lading shall automatically become the Holder-to-order, with the consequence that the contract of carriage is novated in accordance with the provisions of Rule 3.5. (Novation of the Contract of Carriage).
- (3) **Enforcement by Pledgee Holder who is Not To Order Party.** When a Pledgee Holder, who is not the current To Order Party, enforces its pledge over a Bolero Bill of Lading, the current To Order Party, if any, shall be automatically deleted from the Title Registry Record, and the Pledgee Holder shall automatically become the Bearer Holder.

3.5.4. Bearer Holders

- (1) **No Novation.** There shall be no novation of the contract of carriage between the Carrier and a Bearer Holder as such.
- (2) **Exercise of Rights.** A Bearer Holder who wishes either to claim delivery of the goods or commence proceedings against the Carrier for failure to deliver the goods shall first Designate itself as Holder-to-order, whereupon it shall become a party to the contract of carriage in accordance with the provisions of Rule 3.5. (Novation of the Contract of Carriage).

3.5.5. Bolero Bill of Lading Terms and Conditions to Apply

For the avoidance of doubt, any User who is or was the Holder, Pledgee Holder, Bearer Holder, Holder-to-order or Consignee Holder of a Bolero Bill of Lading, irrespective of whether such Designation has been rejected, agrees that any claim against the Carrier for loss of or damage to the goods shall be subject to the terms of the contract of carriage as contained in or evidenced by the BBL Text.

3.6. Delivery of the Goods

- (1) **Persons Entitled to Delivery.** Under a contract of carriage in respect of which a Bolero Bill of Lading has been created, delivery of the goods shall only be made by the Carrier to, or to the order of, a Holder-to-order or Consignee Holder which duly Surrenders the Bolero Bill of Lading.

Note

Pledgee Holders and Bearer Holders are also entitled to delivery of the goods, but have to make themselves into Holders-to-order first. This is a matter entirely within their

power and discretion, and is therefore no fetter on their immediate right to possession of the goods.

- (2) **Surrender of the Bolero Bill of Lading.** The Bolero Bill of Lading shall be Surrendered either to the User identified as the Surrender Party or, if none, to the Carrier in accordance with the Operational Rules.
- (3) **Termination of Bolero Bill of Lading.** Once the Title Registry Record has recorded that the Bolero Bill of Lading has been Surrendered, the Bolero Bill of Lading shall cease to be effective as a Bolero Bill of Lading and no further dealings with it through the Title Registry shall be possible.

3.7. Switch to Paper

- (1) **Persons Entitled to Switch to Paper.** At any time before the goods to which the Bolero Bill of Lading relates have been delivered by the Carrier, a current Holder, Holder-to-order, Pledgee Holder or Bearer Holder shall be entitled to demand that the Carrier issue a paper bill of lading in accordance with the Operational Rules.
- (2) **Form of Paper Bill of Lading.** The Carrier shall, immediately upon receipt of such a demand, issue a paper bill of lading which sets out:
 - (a) all the data contained in and all of the terms and conditions contained in or evidenced by the original BBL Text;
 - (b) a statement to the effect that it originated as a Bolero Bill of Lading,
 - (c) the date upon which it was issued in paper form; and
 - (d) a record issued by Bolero International of the chain of Users which have been parties to contracts of carriage with the Carrier, from the date of the creation of the Bolero Bill of Lading until the date on which its switch to paper demand was sent by Bolero International.
- (3) **Discrepancies.** In the event of any discrepancy between the paper bill of lading so issued and the electronic record of the Bolero Bill of Lading, the electronic record shall prevail.
- (4) **Delivery of Paper Bill of Lading.** The Carrier shall deliver that paper bill of lading in accordance with the instructions of the person currently entitled to hold it, being:
 - (a) the current Pledgee Holder; or if none
 - (b) the current Holder-to-order or Bearer Holder; or if none
 - (c) the current Holder.
- (5) **End of Bolero Bill of Lading.** A User that has knowledge or notice that the switch to paper has been demanded shall give no further Title Registry Instructions in relation to the Bolero Bill of Lading. The Bolero Bill of Lading shall cease to be effective as from the moment of the issue of the paper bill of lading by the Carrier.

3.8. Powers of Parties to a Bolero Bill of Lading

- (1) **Table of Powers.** The parties to a Bolero Bill of Lading, as defined below, shall be entitled to execute functions in relation to that Bolero Bill of Lading in accordance with the following table:

Functions	Parties						
	Carrier	Shipper and Holder	Holder-to-order	Pledge Holder	Bearer Holder	Holder	Consignee Holder
Create Bill	Yes	No	No	No	No	No	No
Designate Holder	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Designate To Order	Yes	No	Yes	Yes	Yes	No	No
Blank Endorse	Yes	No	Yes	No	No	No	No
Designate Bearer Holder	Yes	No	Yes	Yes	Yes	No	No
Designate Consignee	Yes	No	Yes	Yes	Yes	No	No
Designate Pledge Holder	No	Yes	Yes	Yes	Yes	Yes	No
Enforce pledge	No	No	No	Yes	No	No	No
Surrender Bill	No	No	Yes	No	No	No	Yes
Request Amendment	No	Yes	Yes	Yes	Yes	Yes	Yes
Grant Amendment	Yes	No	No	No	No	No	No
Deny Amendment	Yes	No	No	No	No	No	No
Switch to Paper	No	Yes	Yes	Yes	Yes	Yes	Yes

- (2) **Timing of Carrier's Rights.** The Carrier may perform the functions indicated in the table, other than grant or deny amendments, only at the time of the creation of the Bolero Bill of Lading and only in accordance with the provisions of paragraph 3.1(4) of Rule 3.1 (Creation of a Bolero Bill of Lading).
- (3) **Shipper Holder Designating To Order.** A Shipper which is also a Bearer Holder of a Bolero Bill of Lading can Designate a To Order Party.
- (4) **Shipper, Consignee, or To Order Party Not Holder.** Unless a Shipper, Consignee, or To Order Party is also simultaneously the Holder, it is not empowered to give any Title Registry Instructions.
- (5) **One Holder Only.** There shall not be more than one Holder (whether Bearer Holder, Holder-to-order, Pledge Holder, Consignee Holder or Holder) of a Bolero Bill of Lading at any one time.
- (6) **Pledgee Automatically Holder.** The Designation of a Pledgee shall cause the removal of the previous Holder and the automatic Designation of the Pledgee as Holder. Any To Order Party also then Designated remains so Designated until the pledge is either relinquished or enforced.

- (7) **Pledgee Not Bearer Holder.** Where a Bolero Bill of Lading is Blank Endorsed, the Designation of a Pledgee shall make the User so Designated a Pledgee Holder, not a Bearer Holder.
- (8) **Underlying Contractual Obligations.** Nothing in this Rulebook shall be construed as permitting any User to Designate any person in breach of the User's obligations or duties arising under or in relation to any underlying contract governing the transaction.
- (9) **Non-limitation.** Nothing in this Rule shall limit the right of a Shipper, who is the Holder of a Bolero Bill of Lading, to insist upon an amendment of the Bolero Bill of Lading.

Note

The purpose of this Rule is to preserve the Shipper's right in appropriate cases, prior to delivery of the goods or of the bill of lading, to redirect the goods away from the original consignee or To Order Party.

- (10) **Instructions to Carrier under Bolero Bill of Lading.** Where a Bolero Bill of Lading is currently in force or the relevant shipping documents exist in electronic form, the Carrier may require that all instructions to the Carrier shall only be given by Messages.

3.9. Transport Documents

- (1) **Creation of Transport Documents.** Where, instead of creating a Bolero Bill of Lading, a Carrier by a Message creates a Transport Document, such Message will take effect, for the purposes of the operation of any international convention or national law, as if it were a Transport Document which had been issued by the Carrier in paper form.
- (2) **Rights and Liabilities of User Identified.** Any User identified in a Transport Document will obtain the same rights and liabilities under the contract of carriage, by reason of having been so identified, as it would have done under a paper version of such a Transport Document.
- (3) **Rights and Liabilities of Named User.** Where a User is named by a party entitled to do so under a contract of carriage made with a Carrier as the person to whom delivery of the goods is to be made, that User shall acquire the same rights and liabilities as it would have done if the relevant Transport Document had been issued in paper form.
- (4) **Duration.** In no circumstances shall any rights or liabilities created by the operation of this Rule be any greater or continue for any longer period of time, than would have been the case if the relevant Transport Document had been issued in paper form.
- (5) **Paper copies of Transport Documents.** Once a Carrier has created a Transport Document any subsequent paper copy of such document shall clearly state that it is

a copy only. In the event of any discrepancy between the paper copy and the electronic record, the electronic record shall prevail.

- (6) **Termination of Rights and Liabilities.** In the event that the right to the delivery of the goods under a contract of carriage to which this Rule applies, is transferred to a party who is not a User, all rights and liabilities created by the operation of this Rule shall immediately be terminated.

3.10. Ownership and Contracts of Sale

- (1) **Transfer of Ownership.** If as a result of either the intention of the parties to the transaction or the effect of any applicable law, the transfer of constructive possession of the goods and/or the novation of the contract of carriage as provided for in this Rulebook have the effect of transferring the ownership or any other proprietary interest in the goods (in addition to constructive possession thereof), then nothing in this Rulebook shall prevent such transfer of ownership or other proprietary interest from taking place.
- (2) **Rulebook Does not Effect Transfer.** Nothing in this Rulebook shall be construed as effecting the transfer by the owner of property in the goods which are subject to a contract of carriage contained in or evidenced by a Bolero Bill of Lading or other Transport Document.
- (3) **Validity of Electronic Tender of Documents.** Each User agrees that, where a contract of sale between Users requires that shipping documents are to be tendered to the buyer of those goods or to another party nominated by the buyer, a tender of documents by means of the Bolero System shall not be rejected on the grounds that the documents tendered are in the form of electronic messages or images provided that they contain all of the information required by the contract of sale.
- (4) **Sale Concluded by Electronic Interchange.** Where a contract of sale between Users is concluded (in whole or in part) by means of a Message or by a series of Messages, each User agrees that such Message or Messages shall constitute or evidence the contract concluded between them.
- (5) **Switch to Paper for Contracts of Sale.** Upon a request from any User entitled to demand the original contract of sale, a contracting User will print and sign in writing the Message or Messages in accordance with any and all formalities required by any applicable law to give effect to the contract.
- (6) **Date of Contract of Sale.** A sale contract switched to paper by the procedure set out in paragraph (5) shall take effect as if the sale contract had been made and signed in writing on the date of the relevant Message or Messages.

3.11. Documentary Credits

- (1) **Validity of Electronic Presentation of Documents.** This Rulebook will apply and the presentation of any Documents by electronic transmission through the Bolero System will be accepted as if they were the equivalent paper documents, where a User issues, advises or confirms a Documentary Credit on the instructions of an Applicant User under which a Beneficiary User is required to present stipulated documents in order to operate the Documentary Credit, provided that:
 - (a) the Documentary Credit expressly indicates that presentation under the Bolero System is acceptable; and
 - (b) the data contained in such transmissions is presented in Documents whose description matches that of the documents required to be presented by the terms of the credit; and
 - (c) where the Documentary Credit requires that a particular document is issued, authenticated or signed by a particular person, the data transmission is Signed by that person or by a User who is authorised to act and take responsibility on his behalf.
- (2) **Electronic Documents to be “Originals”.** Any requirement under the terms of a Documentary Credit, to which this Rulebook apply, that an “original” document be presented shall be satisfied by the presentation of a Document from a Message bearing the Signature of the person said to have issued or created the document or that of a User who is authorised to act and to take responsibility on his behalf.
- (3) **Copies.** Where the terms of a Documentary Credit, to which this Rulebook apply, require that a number of copies of a document be presented by a Beneficiary User to another User (“the recipient User”):
 - (a) such a requirement shall be satisfied by a single transmission of the equivalent Document to such recipient User; and
 - (b) The recipient User shall be entitled or empowered to make the number of onward transmissions, or, as the case may be, to create the number of copies, of that document as would have been necessary to complete the transaction in a paper environment, provided always that no Bolero Bill of Lading shall have more than one Holder (whether Holder-to-order, Bearer Holder, Pledgee Holder, Consignee Holder or Holder) at any one time.
- (4) **Banks as Holders of Bolero Bills of Lading.** Where a User acting as an issuing or confirming bank is designated as a Pledgee Holder or Bearer Holder of a Bolero Bill of Lading for the purposes of the performance of a Documentary Credit, the User shall only acquire such property in and responsibility for the goods as the parties to the Documentary Credit transaction intend.

Annex

U.S. Law Clauses

These Clauses are to form part of this Rulebook and where applicable shall do so as part of the provisions of Rule 3.2 (Incorporation by Reference).

- (1) **Ad valorem Declarations.** If the carriage covered by a Bolero Bill of Lading includes carriage to or from a port or place in the United States of America, the Carrier shall provide the Shipper of the Bolero Bill of Lading the opportunity to declare a value of the goods to be carried by him and will include any such declaration in the Bolero Bill of Lading. Any declaration or absence thereof will be binding on the first Holder and any successive Holder to the same extent as if the opportunity to declare a value had been contained in a paper bill of lading.
- (2) **International Conventions.** Where the carriage covered by the Bolero Bill of Lading evidences Carriage to or from a port or place in the United States, the United States Carriage of Goods by Sea Act 1936 shall be deemed to be incorporated and form part of the contract of carriage contained in or evidenced by the Bolero Bill of Lading.