

The Link Between Consignee's Liability and Ownership in Transported Goods

Akum Gwendoline Bih^{1,2}

¹ Department of English Law, Faculty of Laws and Political Science, University of Buea, Cameroon

² School of Social and Management Sciences, Biaka University Institute of Buea, Cameroon

Correspondence: Akum Gwendoline Bih, Department of English Law, Faculty of Laws and Political Science, University of Buea, Cameroon; School of Social and Management Sciences, Biaka University Institute of Buea, Cameroon.

doi:10.63593/LE.2788-7049.2026.06.002

Abstract

In logistics and transportation, the link between consignee's liability and ownership in transported goods is often based on legal and financial responsibilities for the cargo which refers to title to the goods and is primarily defined by the contract of carriage of goods, its legal document viz the Bill of Lading and specific incoterms. The research problem revolves on the obscured maritime legislative nature lack of specific rules that clearly spare out consignee's liability and corresponding relationship with goods in a maritime carriage contract. The main objective is to identify and portray specific circumstances under which the relationship between consignee's liability and ownership in transported goods can be established in a maritime carriage contract. Findings further proved a lacunae in the marine legislations to determine and establish consignee's relation with goods as per ownership, and demarcating boundaries for liability. This piece concludes that in spite of clarity of consignee's responsibility, there is need for their liability towards cargo ownership to be properly established. This therefore recommend a revisit of maritime legislations to strengthen responsibilities and spare out their liabilities and limitations.

Keywords: link, consignee, liability, ownership, transported goods

1. Background

The consignee has been over several years known as the entity designated to receive goods at the destination port. This personality later evolved alongside maritime trade from a simple recipient of cargo to a crucial legal entity holding title to goods in international commerce.

The legal principle governing this relationship between a consignee's liability and the transported goods in a contract of carriage primarily derived from the theory of contract for the benefit of a third-party, which allows the consignee to claim rights, but also subject them to obligations upon exercising those right, thus answering research question number four of this piece of work and the fourth specific objective. The doctrines establishing this relationship include; establishing the relationship between the contracts of sale, agency and carriage and the fact that the consignee is a party to the contract of carriage. It is then followed by the taking delivery obligation which is considered in most jurisdictions not just to be a right but also an obligation of the consignee, the ownership rights in the transported goods where the consignee is a mere agent or intermediary under the contract of carriage, consignee's rejection of the transported goods thus frustrating the contracts of sale and carriage and finally, establishing a link in scenarios where the consignee failed to provide storage for the transported cargo.

2. Establishing a Factual Link or Relationship Between the Goods and a Consignee as Party to the Contract of Carriage

In a situation where the consignee is already a party to the contract, the link is primarily achieved through the documentary evidence (Bill of Lading or Consignment Note) and the formal exercise of rights under the contract. While the shipper usually initiates the contract, the consignee becomes a direct party to the contract and expressing his ownership rights by presenting the shipping documents at the port of destination, accepting liability for freight, or by explicitly being named as the owner in the shipping contract. The easiest way of facilitating an understanding of this relationship is by inscribing the recipient as rightful owner on the original Bill of Lading. This document serves as evidence of the contract of carriage and a document of title, identifying who is entitled to legal ownership of the cargo. In road or air transport, the consignment note acts as prima facie evidence of the contract and the carrier's receipt of goods for the consignee. As a party to the contract, the consignee is related to the transported cargo by becoming the endorsee (holder) of the document proving an existence of a contract. The presentation of the original Bill of Lading at the port of discharge connects the consignee to the goods as the Bonafide party to the contract. In a situation where the terms on the bill of lading shows "freight collect" which means the freight charges will be paid by the consignee designated to collect the cargo, and this clearly confirms the action of the role played by the consignee in the said contract as a party. Under laws like the UK Carriage of Goods by sea Act 1924 (COGSA 1924) or similar international regulations, the rights of suit under the contract are transferred to the consignee named in the Bill of Lading. However, some jurisdictions stipulate that the contract between the shipper and the carrier is considered a third-party beneficiary contract with the consignee being the beneficiary. The consignee now becomes a party by accepting this benefits such as documenting delivery of the cargo.

2.1 Link Established Through Hague-Visby Rules, Hamburg Rules, and Rotterdam Rules

These are international conventions that outline the rights and responsibilities of parties involved in the carriage of goods by sea. The contracts of sale, agency, and carriage are linked, where the sale contract (CISG) requires a carriage contract usually (Hamburg Rules 1978, and Rotterdam Rules 2008) to transport goods, frequently involving agents like freight forwarders. The Hamburg and Rotterdam Rules impact risks transfer in the sale contract and obligations for agents via agency in a carriage contract. In a contract of sale, the CIF and FOB terms determine when risks pass from the seller to the buyer often through the Bill of Lading (BOL), whereas the Hamburg and Rotterdam Rules in a carriage contract define the carrier and shipper towards the cargo. The Hamburg Rules of 1978 broaden the liability for sea carriage, and stating the limitation of financial liability to 835 SDRs per package or 2.5 SDRs per kg, while the Rotterdam Rules extend liability to "door-to-door" or "multimodal" transport, covering the carrier from port-to-port and even beyond, if agreed upon. With regards to an agency contract, freight forwarders/brokers act on behalf of shippers or consignees through the Rotterdam Rules that broaden the definition of the performing party and agents if they perform any of the carrier's duties.

2.2 The United Nations Convention on Contracts for the International Sale of Goods (CISG) Governs Sale Contracts

Then United Nations Convention on Contracts for the Carriage of Goods (CISG) primarily governs the rights and obligations of the buyer and seller in a contract for the sale of goods specifically in its Art 4. Generally, this CISG does not regulate the contractual relationships of third-parties such as carriers or agents which in most cases are governed by national laws and specific international conventions like the CMR Convention for road transport and the Hague-Visby for sea transport respectively. The CISG however interacts directly with carriage and agency contracts through its provisions on delivery, risk, and the definition of the concept of sale. The CISG integrates the carriage contracts in to the seller's delivery obligations, and key provisions impacting the transport process. Art 31 (a) and 67-68 of the same convention regulating delivery and risk when carriage is involved and fulfills the seller's obligation by handing goods to the first carrier. At this point, risk passes to the buyer or at the point when the contract has been concluded with goods already in transit. Art 32 (2) of the CISG regulates the seller/consignor's responsibilities in ensuring that the carriage contract is carried out appropriately for goods to arrive their final destination safely. Concerning inspection, the buyer/consignee is involved according to Art 38 (2) in the examination of the cargo. While the CISG governs sales made through intermediaries, it does not apply to the internal, legal relationship between a principal and agent, or matters of agency authority. According to Art 3 of the CISG, it is applied when an agent acts as a buyer/ seller in taking title but not when the agent is only providing services.

2.3 Establishing a Relationship Where the Consignee Fails to Provide Storage for the Transported Goods

When a consignee fails to provide storage of the transported goods, they are in breach of the duty to receive cargo, triggering many legal situations under standard contracts of carriage such as the contracts existing under the Hague-Visby Rules or standard maritime/roadway bill of lading. The carrier is not in any way supposed to or required to hold the goods indefinitely and is generally entitled to protect its interests and mitigate damages. If the consignee fails to take delivery promptly, the carrier has the right to discharge the goods in to a warehouse or other appropriate storage facility. In situations where the goods are well stored in a warehouse, this is most often

considered to be “constructive delivery”, and the carrier’s risks for loss or damage is significantly reduced or terminated. As a result of this, all expenses including warehousing costs, storage fees and additional handling costs must be borne by the consignee for his negligence of not receiving the goods as he ought to. With regards to the safety of the warehoused cargo, the carrier still has a responsibility to ensure the goods are stored in an appropriate place characterized by temperature control for instance.

If the responsibility of the carrier to the goods is extended when the goods cannot be taken over by the merchant party, it will be unfair for the carrier. Though the term in Article 86 of the CMC is not so clear, from the words that the risks and expenses to the goods “shall be borne by the consignee” after the discharging and warehousing of them. It can be concluded that the warehousing of the goods by the master shall constitute a constructive delivery and the carrier is then discharged from the traditional obligation of delivery to the consignee personally. Meanwhile, the contract of carriage is terminated upon this warehousing. In addition, when a bill of lading has been issued, the presentation rule will not bind the carrier in such case. However, the simple phraseology of the Article 86 of CMC does not match the shipping carriage very well. From the words of the provision, it is easily perceived that the risk and expenses will be transferred to the consignee as soon as the goods have been discharged into a warehouse or other appropriate place. But in the modern practice, except under charterparties, almost no goods are taken over alongside the ship. Therefore, after the arrival at the destination, the goods will generally be discharged into the container yard, CFS or warehouses. And, under the tariff of the carrier and the rules of the container yards or CFS, there is usually a specified free period for the keeping of the goods during which the consignee does not have to pay the storage charges. In Chinese ports, the free period is usually 3 to 5 days after the arrival or after the notice of the arrival. Considerable bills of lading provide that the consignee shall take the delivery during the specified period under the tariff, which generally lasts as long as the free period of storage. In addition, with the development of the agreement on delivery, certain contracts will provide the time for delivery. So, the stated specified period of time for delivery is both the duty and the right for the consignee. After the expiration of the period, failure to take the delivery may be deemed delay, but before the lapse of it, the consignee or other persons are not forced to receiver the goods.

According to the contract theory, if there is no such agreement on the period, a reasonable time is required, and the carrier or vessel “cannot discharge his liability by landing them immediately on the ship’s arrival.” In other views, the abovementioned 3 to 5 days of free period in practice may be of reference to the reasonable period. So, before the agreed or reasonable period for delivery has lapsed, the obligation to receive the goods is not due, the carrier is still under the responsibility to the delivery, and risks to the goods are borne by the carrier at the meantime. Under the CMC, at least the risks to the containerized goods are still borne by the carrier before the aforesaid period is due. Whilst, as the bulk and general cargos are concerned, the risks to the goods will transfer to the consignee once the goods are discharged from the vessels, but the cease of risk on the carrier results from the stipulation of responsibility period not from the remedy for the carrier.

Therefore, before the lapse of the agreed or reasonable period, the carrier is not entitled to the remedy under the Article 86 of CMC. In addition, since the remedy can be available only after the discharge and certain period, consequently, it will not be the master to carry out the remedy of warehousing or storage. So, it is more reasonable to put the “carrier” instead of the “master” in Article 86. Though this “constructive delivery” is an alternative of the actual delivery, the carrier is still under the responsibility not to infringe any property right or title to the goods of others. The latter is an absolute obligation not only under a contract.

However, the breach of the obligation to receive the and delivery, the duty of the care of the goods on the carrier will be reduced. Briefly, the carrier shall exercise the remedy properly. First of all, “properly” means that the carrier shall do due diligence to store the goods. He shall find a warehouse or other place suitable for receiving and storing the goods. The place for storage shall be appropriate to the characteristics of the goods, for instance, the temperature and ventilation shall be fine for certain goods.

Moreover, it shall be safe under the applicable law and policy, such as the customs regulations of the port. In addition, when choosing the storage place, the carrier shall take a reasonable consideration for the convenience of the consignee, and, without legal authorization, the carrier shall not store the goods in places other than the agreed range. If the place chosen by the carrier is not appropriate, the carrier shall, if possible, re-store the goods in an appropriate place and may recover the additional costs occurred to the person who takes the goods owing to inconvenience or unsuitability of the warehouse or place.

When the carrier has done “due diligence,” he shall not be liable for the damages caused from such unsuitability of the warehouses or other storage places, and, if the storage place became inappropriate simply after the goods have been moved into, the carrier shall no longer be liable for the damages to the goods arising therefrom. The “duty of taking care of them devolves upon warehouseman,” and the “risks and expenses shall be borne by the consignee.” The carrier shall be liable for the damages only if the damages have resulted from his intentional act or gross negligence.

2.4 Link Where the Consignee Determines Ownership Rights in the Transported Goods Sold

In a sale of goods contract, the buyer plays a crucial role in determining when ownership rights are transferred. The buyer's actions and intentions, as well as the terms of the contract, influence when ownership shifts from the seller to the buyer. Generally, ownership passes when the parties intend it to, but the buyer's acceptance of the goods, or actions adopting the transaction like (reselling them), can finalize the transfer. If the buyer retains the goods beyond a reasonable time without rejecting them, ownership may also pass.

Parties' intent: The primary factor in determining ownership transfer is the parties' intent, as expressed in the contract or inferred from their conduct. They can explicitly agree on when ownership transfers, even if it differs from delivery.

Acceptance and Action: The buyer's explicit or implicit acceptance of the goods, as demonstrated by signifying approval or taking actions that adopt the transaction (like reselling), can transfer ownership. If the buyer retains the goods beyond a specified time for rejection or a reasonable time, ownership may transfer.

Specific and Ascertained Goods: For specific goods (those identified and agreed upon at the time of the contract), ownership often transfers when the contract is made, regardless of payment or delivery. However, the parties can still agree on a different time for ownership transfer. On the part of future goods (those not yet in existence or not yet identified), ownership typically transfers when the goods are appropriated to the contract and delivered to the buyer. The buyer's acceptance of the delivery or notice of delivery can still signify the transfer of ownership.

Failure to Reject: If the contract specifies a time for rejecting goods, the buyer's failure to reject within that time can transfer ownership. Even without a specified time, a buyer's unreasonable delay in rejecting the goods can also lead to transfer of ownership. The buyer is expected to inspect the goods and reject them within a reasonable time if they are not in conformity with the contract.

Unascertained Goods: For unascertained goods (defined by description or sample), ownership transfers when the goods are identified and appropriated to the contract, often upon delivery to the buyer. **Reservation of Rights of Disposal:** A seller can reserve the right to dispose of the goods until certain conditions are met, such as payment of the price. This means the buyer does not acquire ownership until those conditions are fulfilled.

Importance of Understanding: Understanding when ownership transfers is crucial because it determines who bears the risk of loss or damage to the goods and who has the right to dispose of them. For example, if the goods are damaged after ownership has passed to the buyer, the buyer is generally responsible for the loss.

In summary, the buyer plays a crucial role in determining when ownership rights are transferred. Their actions, intentions, and acceptance (or failure to reject) of the goods are all factors that the law considers in determining when ownership transfers from seller to the buyer.

3. Link Where the Consignee Is the Beneficial Owner of the Transported GOODS

The second principle addresses situations where the consignee has beneficial ownership of the goods or fails to properly document their agency status. In such cases, the consignee becomes fully liable for all freight charges, including any additional costs incurred beyond those billed at delivery. This ensures that someone with a direct economic stake in the shipment ultimately bears the cost of its transportation. A consignee primarily becomes a party to the contract of carriage when they hold the bill of lading, which serves as a document of title and evidence of the contract. Other instances include cases where the buyer pays carriage charges, is identified as the consignee or party to be notified, or has rights transferred to them by legislation like the Carriage of Goods by Sea Act 1924. A buyer becomes a party to the contract of carriage and has a relation to the transported goods by being the consignee named on the bill of lading, presenting the bill of lading to receive the cargo, or by directly entering into the contract with the carrier if they are responsible for arranging transport under the sale contract. This occurs when the terms of such a contract, or Incoterms like CIF, place the responsibility of arranging and paying for the carriage on the buyer, making them the shipper and giving them a direct legal relationship with the possession and ownership of the goods transported. When the buyer is the shipper and if the sales contract dictates (through a specific Incoterm) that the buyer is responsible for arranging and paying for the transport, they act as the shipper in the contract of carriage. Again, the buyer can also become the consignee or the person to whom the goods are to be delivered, and they must present the bill of lading to claim the cargo. A bill of lading enables a consignee at the place of destination to prove his rights to the goods, thus ownership. The modern bill of lading can be described as a legal document or a shipment receipt by or on behalf of the carrier and issued to the shipper acknowledging that goods, as described in it, have been shipped in a particular vessel to a specified destination or have been received in a ship owner's custody for shipment.

Where the buyer in a sales contract becomes the consignee in a contract of carriage and has a beneficial interest in the ownership of the goods, the specific Incoterm used that connects the consignee's liability to the ownership

of the goods is EXW (Ex Works). Under EXW, the seller makes the goods available at their location, and the buyer bears all the costs and risks for loading, transportation, customs clearance, and delivery to the final destination. It means the buyer is responsible for getting the product out of the seller's warehouse, onto the mode of transportation, through customs, and to their warehouse. EXW terms pass the bulk of the responsibility onto the buyer. The only thing the shipper needs to do is make sure the goods make it to that initial pickup point. While that might sound like the buyer gets a short stick, EXW does have some distinct benefits. The main benefit is that EXW terms come with few surprises. The buyer has full control over the shipment, so they will get a clear picture of upfront costs, and can make sure that the shipper is not padding margins or inflating delivery costs. This term is ideal when the buyer has significant logistical expertise and wants full control over the entire shipping process to manage costs.

Regarding issues for liability of beneficial owner, payment of rates for transportation of a shipment by a carrier, broker, or freight forwarder except a household goods carrier, is determined under this section when the transportation is provided under a bill of lading other than a bill of lading that requires prepayment of the freight charges. A consignee is liable for rates billed at the time of delivery for the goods for the transportation if that consignee is an agent only and has no beneficial title or interest in the property, and when he gives a written notice of the agency relationship to the carrier when the consignee accepts delivery or the shipment. Here, the beneficial owner of the property is liable for those additional rates. By balancing this principles, a logical and equitable approach to consignee liability is used. For consignees, it highlights the importance of clarity in their roles be it as an agent, or beneficial owner, and the necessity of documenting their status to avoid unexpected financial exposure. The statute ensures that there is always a responsible party to pursue for unpaid freight charges, whether it is the consignee or the ultimate beneficial owner of the transported goods. Through its structured approach to liability, it underscores the interconnected agreements and serves as a reminder to all participants in the logistic chain to clearly define and communicate their roles, for this is a safeguard against unwarranted liability to consignees only if the rules are followed.

3.1 Establishing the Link Between the Contracts of Sale, Carriage, and Agency

The contracts of sale, agency, and carriage are fundamental to commercial law and often intersect in transactions, particularly in international trade. Despite having distinct legal structures, transferring ownership, creating representation, and transporting goods respectively, they share several legal and practical links or similarities. Contracts of sale, carriage, and agency agreements are distinct but interdependent in commercial law. A contract of sale triggers the need for carriage by transporting the goods, while agency acts as the mechanism enabling a party such as a freight forwarder, to arrange carriage and handle sales on behalf of a principal who may either be a seller or a buyer.

The link between contracts of sale, carriage and agency is that an agency contract can facilitate the other two. In an agency contract, an agent might be authorized to negotiate sales then arrange the carriage of goods for that sale, and manage other logistical aspects on behalf of the principal (seller or buyer). The contract of carriage is the agreement to transport goods, while the agency contract empowers an agent to act on behalf of one of the parties in the sale and carriage process, such as an agent who arranges shipping for a seller's goods in a sale. An agency contract is a legally binding agreement that establishes a relationship between two parties, the principal and the agent, depending on specific rules. In this contractual arrangement, the principal grants authority to the agent to act on their behalf in specific matters or transactions. The interconnectedness of a contract of sale, a carriage contract, and an agency contract becomes evident in the context of commercial transactions involving the movement of goods, particularly international trade. These agreements frequently overlap and are necessary for the successful delivery of products from a seller to a buyer.

3.2 The Role of the Buyer or Consignee in Determining Ownership Rights in the Goods Transported

In a sale of goods contract, the buyer plays a crucial role in determining when ownership rights are transferred. The buyer's actions and intentions, as well as the terms of the contract, influence when ownership shift from the seller (consignor) to the buyer (consignee) by so doing directing the consignee's link to the cargo as the owner. Generally, ownership passes when the parties intend it to, but the buyer's acceptance of the goods, or actions adopting the transaction like (reselling them), can finalize the transfer. If the buyer retains the goods beyond a reasonable time without rejecting them, ownership may also pass and his relationship with regards to the goods in terms of ownership equally determined.

Parties' intent: The primary factor in determining ownership transfer is the parties' intent, as expressed in the contract or inferred from their conduct. They can explicitly agree on when ownership transfers, even if it differ from delivery.

Acceptance and Action: The buyer's explicit or implicit acceptance of the goods, as demonstrated as signifying approval or taking actions that adopt the transaction (like reselling), can transfer ownership. If the consignee

retains the goods beyond a specified time for rejection or a reasonable time, ownership may transfer.

Specific and Ascertained Goods: For specific goods (those identified and agreed upon at the time of the contract), ownership often transfers when the contract is made, regardless of payment or delivery. However, the parties can still agree on a different time for ownership transfer. On the part of future goods (those not yet in existence or not yet identified), ownership typically transfers when the goods are appropriated to the contract and delivered to the buyer. The buyer's acceptance of the delivery or notice of delivery can still signify the transfer of ownership.

4. Link Where the Consignee Is a Mere Agent or Intermediary to the Transported Goods

A buyer can act as a middleman when they purchase goods with the intent to resell them, acting as a merchant middleman by taking ownership, storing, and redistributing the products for a profit. This occurs in circumstances such as a buyer purchasing goods to fulfill a contract with another party, reselling goods without a reasonable opportunity for examination, or when the buyer has expertise in a market that allows them to efficiently connect producers and consumers. The most common scenario is when buyers purchase goods from one supplier and then resells them to another end-user for more than they paid. The role of a middleman or intermediary, is to enhance business transactions between parties to the contract such as the buyer or consignee and seller or consignor typically in return for a commission or other form of fee that may be paid by the buyer, seller or both in some circumstances. Consignees or buyers may also act as middlemen to meet contractual obligations with different customers. This is often seen in international trade where goods are destined for export to a new market.

The law provides a critical framework for determining who is ultimately responsible for payment when goods are delivered to a consignee other than the original shipper or consignor. This federal statute helps clarify the roles and liabilities of the parties in the shipping process, ensuring that carriers are not left uncompensated for their services while offering protections to intermediaries who facilitate delivery without ownership interest in the goods. Thus, through payment of freight, a link is established between the consignee and the ownership in the goods. Two key principles are established here. First, it recognizes that not all consignees have the same relationship with the goods they receive. Some consignees act purely as agents or middlemen who facilitate the logistic process on behalf of the official owner without owning or profiting directly from the goods themselves. For these consignees, liability is limited. Furthermore, if consignees successfully limit their liability by proving they are merely middlemen or intermediaries, liability for unpaid charges shifts to the beneficial owner of the goods. They are only responsible for freight charges billed at time of delivery, and even this limited liability requires the consignee to provide written notice to the carrier affirming their agency status and lack of ownership interest. This ensures that the carriers are aware of the consignee's limited role and protects the agent from bearing undue financial responsibility for charges beyond their control.

A buyer or consignee of goods is directly related to the transported goods primarily through ownership transfer from the seller to the buyer, the assumption of risk, and the specific legal responsibility defined in the sales and shipping documents.

4.1 Establishing a Link in an Instance Wherein an Agent Works Hard to Secure and Procure the Interest of His Principal Whereas He Is not the Owner of the Transported Goods

A situation in which an agent works hard to procure the interest of his principal despite not owning the transported goods is a standard aspect of the legal framework surrounding agency and the carriage of goods. This duty is inherent in the agent's role and is rooted in the agent's fiduciary obligation to the principal, as established through their agreement. An agent, such as a freight forwarder, broker, or carrier's representative is engaged by a principal who may either be a seller or buyer of goods to manage the logistics and transport of cargo. The agent's primary responsibility is to act in the principal's best interest to ensure the goods reach their destination safely, on time, and in compliance with all relevant regulations. The central ideas of this scenario can be illustrated as follows.

In a contractual obligation where a relationship is defined by a contract in which the agent agrees to perform specific duties in exchange for a fee. The agent does not take ownership of the goods but they rather manage the process of transportation. Here, the agent's task may include arranging appropriate transport, handling customs clearance and documentation. Securing adequate insurance coverage, monitoring the shipment and resolving any issues that arise. The most significant requirement of the fact that for an action performed by an agent with third-parties on his own behalf, but at the expense of the principal, a specified agent is considered the owner of obligations and rights, regardless of the fact that the principal must enter in to a free relationship with a third-party to comply with the agreement. But in the document, when a legal transaction is concluded on behalf of the principal, all obligations and rights will be carried out by him. An agency contract is usually concluded between professional subjects of the economic market, which in some cases exclude the existence of fiduciary,

personal-trust relations between the parties who signed it, in contrast to the contract of assignment. Moreover, the agency contract is always paid, which causes the principal to pay the agent a fee in the amount and in the manner prescribed by the agency contract, thus exempting the agent of ownership of any sort. If the agency contract does not specify or provide for a condition on the amount of the agent's remuneration, the remuneration is subject to payment in the amount of the price that, under comparable circumstances, is usually charged for similar work or services. In this case, the agency fee is payable within a week from the moment when the agent has submitted a report on the work done to the principal.

5. Conclusion and Recommendation

Conclusively, the link between the consignee's liability and the transported goods is a conditional, often secondary, but crucial aspect of a contract of carriage. While the consignor is generally and primarily liable for freight charges, the consignee becomes secondarily and jointly liable by receiving the goods and benefiting from the transport. The consignee is generally liable for damage occurring after they take physical possession of the goods. When a broker or shipper fails to pay freight, many carriers feel like they have hit a dead end. But under the rights circumstances, the consignee can be held liable and responsible for unpaid freight charges. Whereas the consignor is typically responsible for the initiation of transport, the consignee's liability becomes active primarily upon the exercise of rights, specifically taking delivery of the goods or demanding their release. It is concluded that, when a consignee accepts the goods, they often impliedly accept the terms of the bill of lading, assuming liability for outstanding freight charges, demurrage and duties. It is recommended that, there is need to amend the Maritime Code to address specific issues surrounding consignees' liabilities, their entitlement to transported goods and most especially their compensation rules as well as limit of compensation in order to make the limitation amount as far as possible represent the weighted average unit value of cargo carried.

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