

# V/1 Scope of Agent/Intermediary Authority Adjustment<sup>1</sup>

**Agenda Item:** V/1

**Subject:** **Scope of Agent/Intermediary Authority Adjustment**

**Submitted by:** IATA

## Background

Over the past decade, the use of the Direct Air Waybill has been the subject of extensive discussion within the industry, including during the IATA–FIATA Air Cargo Program (IFACP). While that initiative concluded in 2020 without consensus on this topic, the underlying challenge remains: the current structure of the AWB and the related contractual language no longer reflects modern commercial practice or the evolving roles of forwarders and carriers.

The Cargo Agency Program was built on documentation conventions developed decades ago. Under these conventions, when a forwarder tenders a Direct Air Waybill and places its name in the “issuing carrier’s agent” box, the document suggests an agency relationship that no longer reflects the way forwarders and carriers conduct business today. Forwarders have consistently and correctly stated that they act as independent principals purchasing transportation for resale, and not as agents of the carrier. At the same time, when the underlying shipper is placed in the AWB’s shipper box, that party often has no direct commercial relationship with the carrier, and the carrier has not assessed or contracted with that party in setting the applicable rate.

This mismatch between the AWB’s legacy structure and the commercial reality creates inconsistencies that none of the parties intended. The forwarder negotiates rates with the carrier as the contracting customer; the carrier sets those rates based on the forwarder’s capabilities, financial standing, operational expertise, and ability to meet the responsibilities associated with the contracting shipper. When forwarders issue AWBs in their own name, the rights and obligations of both parties are clear and well aligned.

However, when a Direct AWB is used, the forwarder may list an underlying shipper even though the carrier has not contracted with that party, has not priced any associated risk, and has no visibility into that entity’s capacity to meet obligations such as the accuracy of shipment particulars. Meanwhile, the forwarder’s name continues to appear in a box suggesting an agency function that forwarders themselves reject. This creates ambiguity in the contract chain that can lead to inconsistent interpretation and uncertainty regarding which party’s obligations apply.

The proposal before Conference aims to restore clarity and alignment, not to change roles or expand liability. It recognizes that there are valid operational and documentary reasons why a forwarder may show the underlying shipper on the AWB, including customs requirements or financial documentation needs.

The proposal does not seek to eliminate the Direct AWB or restrict legitimate uses. Rather, it seeks to ensure that when forwarders choose to present the underlying shipper on the AWB for reasons

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<sup>1</sup> This document is an extract from the CAC/53 agenda which captures, where applicable, the modifications discussed and agreed to by the CAC/53 held on the 9<sup>th</sup> of March 2026.

unrelated to selling transportation at the carrier's tariff, the forwarder and carrier have a clear and predictable framework that reflects the commercial agreement already in place between them.

Specifically, the proposed amendment affirms that, in such cases, the forwarder will continue to accept the responsibilities associated with its role as the contracting customer, which is consistent with the obligations that already apply when the forwarder issues an AWB in its own name. This clarification prevents unintended interpretations, avoids reliance on deeming provisions, and ensures that carriers are not placed in the position of appearing to have accepted terms they never negotiated simply because an unknown party has appeared on the face of the airwaybill. More importantly, it ensures that the carriers will fully benefit from the bargain they've originally negotiated with the forwarder, including and most importantly, the indemnity obligation inherent thereto.

Importantly, this proposal is designed not to disrupt cargo flows but to provide smooth, predictable processes. It reinforces long-standing commercial practices and offers forwarders the flexibility they need while ensuring that the documentation reflects the underlying contractual relationship accurately.

Finally, this clarification is a necessary step toward a broader objective widely supported across the industry: the modernization of the face of the air waybill. Updating the AWB into a true "shipper/forwarder" document, rather than one based on historical cargo agency constructs, will resolve the fragmentation and ambiguity that stakeholders, including FIATA, have highlighted for years. The proposed amendment provides the foundation for that modernization effort under the Cargo Services Conference.

## Proposed Solution

This proposal suggests adding the following language to the listed Resolution sections:<sup>2</sup>

### For the Agency Programs:

In the event that an Agent seeks to purchase air cargo transportation service from the Carrier on behalf of a third party and tender a shipment to the Carrier as the shipper's agent for such third party appearing as "Shipper" on the air waybill or electronic shipment record, ~~the Carrier shall not accept the shipment unless (a) Carrier and Agent have shall agreed bilaterally on the terms and indemnities applicable to such shipments. Absent such agreement, or (b) Agent agrees to hereby accepts all terms and conditions previously agreed with Carrier when Agent is shipping in its own name as Shipper for such shipments including all obligations of Shipper under Carrier's Conditions of Carriage and applicable liability conventions.~~

### For the Intermediary Programs:

In the event that a Forwarder seeks to tender cargo to the Carrier as an agent on behalf of another entity appearing as "Shipper" on the air waybill or electronic shipment record, ~~Carrier shall not accept the shipment unless~~ Carrier and Forwarder shall agree bilaterally on the terms and indemnities applicable to such shipments. Absent such agreement, Forwarder hereby agrees accepts all terms and conditions previously agreed with Carrier when Forwarder is shipping in its own name as Shipper for such

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<sup>2</sup>CAC/53 reviewed and adopted the below wording.

shipments including all obligations of Shipper under Carrier's Conditions of Carriage and applicable liability conventions, and indemnities set forth hereunder as when shipping as principal.

**Resolutions requiring the modification:**

- Cargo Agency Agreement, 801a(ii), Section 3 (Scope of Agent's Authority)
- Cargo Intermediary Agreement, EACP, 805zz, Attachment A, Part I, Section 2 (Agent's Authority)
- Cargo Intermediary Agreement, EACP, 805zz, Attachment A, Part II, Section 2 (Forwarder's Authority)
- Cargo Intermediary Agreement – Canda: 803, Attachment B, Part I, Section 2 (Agent's Authority)
- Cargo Intermediary Agreement – Canda: 803, Attachment B, Part II, Section 2 (Forwarder's Authority)
- Cargo Intermediary Agreement - Australia: 809zz, Attachment A, Part I, Section 2 (Agent's Authority)
- Cargo Intermediary Agreement - Australia: 809zz, Attachment A, Part II, Section 2 (Forwarder's Authority)
- Cargo Intermediary Agreement - Latin America: 813zz, Attachment A, Part I, Section 2 (Agent's Authority)
- Cargo Intermediary Agreement - Latin America: 813zz, Attachment A, Part II, Section 2 (Forwarder's Authority)

This paper was written at the request of the Cargo Advisory Council and the IATA Board has been informed. CCMG reviewed.

**Proposed Action**

Conference to adopt.