Opposition to IATA's Direct Air Waybill Revisions: Protecting Freight Forwarders from Unfair Liability Shifting

A White Paper by the National Customs Brokers & Forwarders Association of America, Inc. (NCBFAA) and The Airforwarders Association (AfA) with contributions from the International Forwarders & Customs Brokers Association of Australia (IFCBAA) Opposing the DAWB Conditions of Contract

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1. NCBFAA & AfA's Position

The National Customs Brokers & Forwarders Association of America, Inc. ("NCBFAA") and The Airforwarders Association (AfA) are U.S. trade associations representing customs brokers, freight forwarders, Non-Vessel-Operating Common Carriers (NVOCCs), 3rd Party Logistics Providers (3PLS), and other professionals engaged in international trade and transportation. NCBFAA & AfA raise concerns and must oppose the recent changes to the International Air Transport Association's ("IATA") Direct Air Waybill ("DAWB") framework. These changes by IATA would expand the liabilities freight forwarders may be required to assume and radically alter the established allocation of risk among shippers, forwarders, and airlines.

Each party in the air-cargo supply chain should remain responsible for the obligations it undertakes and the risks within its role and control. The revised DAWB framework departs from that principle by potentially requiring forwarders acting as intermediaries to assume obligations and liabilities that would otherwise rest with the underlying shipper.

This shift raises serious concerns under the international conventions governing air-carrier liability. It also creates legal uncertainty and exposes freight forwarders to potentially significant operational and insurance risks.

2. IATA's Revised DAWB Framework: What Changed and Why It Matters

Effective July 1, 2026, IATA amended its DAWB framework to change the terms that apply when a freight forwarder tenders cargo on behalf of an underlying shipper named on the air waybill. In a DAWB transaction, the underlying shipper is identified on the air waybill and the freight forwarder may act as an intermediary in arranging the shipment with the airline. Under the revised framework, the carrier and forwarder may agree bilaterally on the terms and indemnities that apply— however, in the absence of such an agreement, the forwarder becomes subject to the terms and conditions that would apply if it were shipping *in its own name*, including shipper's obligations under the carrier's Conditions of Carriage and applicable liability conventions.[1]

IATA describes the change as a clarification intended to align the documentation with the commercial relationship between the airline and forwarder, rather than an expansion of liability.[2] IATA has further indicated that the amendments are intended to ensure that airlines receive the benefit of the contractual terms applicable to their relationship with the forwarder.[3]

However, from NCBFAA and AfA's perspective, the change has a broader practical effect. Now, a freight forwarder acting as an intermediary for a disclosed shipper may be

[1] Int'l Air Transp. Ass'n, *V/1 Scope of Agent/Intermediary Authority Adjustment* 2-3 (2026), https://www.iata.org/contentassets/e9cb5a72b88f4f68a5cfc572a50b60c9/v1-scope-of-agent-intermediary-authority-adjustment---post-cac53.pdf.

[2] *See id.* at 2.

[3] *See id.* at 1.

required to assume obligations that would otherwise apply only when the forwarder acts in its own name. The amendments can therefore fundamentally change who ultimately bears the financial consequences under the carrier's Conditions of Carriage and applicable liability conventions. For NCBFAA, AfA and its members, this is not simply an administrative or documentation change. It is a substantive change in how risk may be allocated among the shipper, freight forwarder, and airline.

3. The Changes Are Inconsistent with the International Air-Carrier Liability Framework

The principal international regime is the Convention for the Unification of Certain Rules for International Carriage by Air (Montreal, 28 May 1999) ("Montreal Convention" or "the Convention"),[4] which has largely superseded the Warsaw Convention of 1929 and its subsequent protocols for carriage between states that are parties to Montreal. Nonetheless, the Warsaw Convention and its protocols remain relevant to international carriage falling outside the Montreal Convention's scope.[5]

IATA's revised framework conflicts with several of the articles of the Montreal Convention. NCBFAA and AfA's concern is not simply that freight forwarders may have contractual obligations. Freight forwarders routinely accept responsibility for obligations they undertake. The concern is that the revised DAWB framework may require a forwarder to bear the financial consequences of liability that the Convention assigns to the shipper, even where the forwarder neither caused nor controlled the event giving rise to the liability.

3.1 The Montreal Convention Allocates Liability According to Defined Roles and Responsibilities

Article 10 is particularly relevant to DAWB transactions. It provides that the *consignor* is responsible for the correctness of the particulars and statements relating to the cargo that are inserted in the air waybill by the consignor or on its behalf.[6] The consignor must indemnify the carrier for damage suffered as a result of irregular, incorrect, or incomplete information furnished by it or on its behalf.[7] Significantly, Article 10 expressly preserves this allocation even where the person acting on behalf of the consignor is also the carrier's agent.[8]

Article 10 therefore expressly contemplates the type of intermediary relationship that may exist in a DAWB transaction: one party is the consignor, while another party may act on that consignor's behalf in arranging the shipment or transmitting cargo information. The Convention does not provide that the intermediary thereby becomes the consignor or automatically assumes

[4] Convention for the Unification of Certain Rules for International Carriage by Air, May 28, 1999, S. Treaty Doc. No. 106-45, 2242 U.N.T.S. 309 [hereinafter Montreal Convention].

[5] Convention for the Unification of Certain Rules Relating to International Transportation by Air, Oct. 12, 1929, 49 Stat. 3000, T.S. No. 876, 137 L.N.T.S. 11 [hereinafter Warsaw Convention].

[6] Montreal Convention, *supra* note 4, art. 10(1).

[7] *Id.* art. 10(2).

[8] *Id.* art. 10(1).

the consignor's Convention responsibilities merely because it communicates with the carrier or enters information into the air waybill on the consignor's behalf. To the extent the revised IATA framework requires the forwarder to assume obligations assigned to the shipper even though another party remains the identified shipper or consignor, the resulting allocation of responsibility may not correspond to the roles recognized by the Convention.

3.2 Private Agreements Cannot Be Used to Circumvent the Convention's Liability Rules

Articles 26 and 27 of the Montreal Convention place important limits on the use of private contracts to change the Convention's liability rules. Article 26 explains that any provision *tending* to relieve the carrier of liability or to fix a lower limit than the Convention permits is null and void.[9] Article 27 allows parties to establish contractual conditions, but only if those conditions do not conflict with the Convention.[10] These provisions preserve freedom of contract without allowing parties to undermine the Convention's liability framework. Read together with Article 10, these provisions raise concerns where a contractual arrangement shifts to a forwarder the responsibilities that the Convention assigns to the consignor, particularly where the forwarder is acting only on the consignor's behalf.

At the same time, NCBFAA and AfA do not take the position that indemnification or recourse is prohibited altogether. Article 37 preserves legitimate rights of recourse against another party responsible for a loss.[11] NCBFAA and AfA do not oppose indemnification where a forwarder is responsible for the loss. If a forwarder's own negligence, misrepresentation, breach of duty, or other wrongful conduct causes or contributes to a loss, the Convention does not prevent a party from pursuing whatever right of recourse it may have against the forwarder. The concern is with indemnification that goes further and requires the forwarder to assume responsibility for the acts, omissions, or obligations of another party, including the underlying shipper, where the forwarder did not cause or control the underlying risk. Article 37 allows legitimate rights of recourse, but that is different from broadly shifting liability to the forwarder.

3.3 The Warsaw Convention Reflects the Same Fundamental Principles

The Warsaw Convention, which still governs certain international carriage, follows the same basic approach. It establishes carrier liability for cargo and restricts contractual provisions that relieve the carrier of treaty-based liability.[12] This further shows that the longstanding international air-carriage regime reflects a common principle: private contracts may allocate legitimate rights of recourse, but they should not be used to circumvent the mandatory liability rules governing international carriage by air.

For these reasons, NCBFAA and AfA are concerned that the revised DAWB framework may alter and disrupt the allocation of responsibility established by the Montreal and Warsaw

[9] *Id.* art. 26.

[10] *Id.* art. 27.

[11] *Id.* art. 37.

[12] *See* Warsaw Convention, *supra* note 5, arts. 18, 23.

Convention systems. The issue is not whether a freight forwarder should be responsible for its own conduct. The concern is whether a private industry agreement may require a forwarder acting as an intermediary to assume the financial consequences of obligations or risks assigned to the underlying shipper or consignor, even where the forwarder did not cause or control the underlying issue. NCBFAA and AfA believe that liability should remain aligned with the roles and responsibilities established by the applicable international conventions, while preserving legitimate rights of recourse where the forwarder's own conduct causes or contributes to a loss.

4. Under U.S. Regulations, Liability Should Also Follow Responsibility and Control

U.S. regulations recognize that freight forwarders may act in different capacities. Under 14 C.F.R. Part 296, a U.S. freight forwarder may operate as an "indirect cargo air carrier," and Part 297 applies a similar framework to foreign air freight forwarders.[13] Both regulations define the forwarder as an entity that "uses for the whole or any part of such transportation the services of" a direct air carrier.[14] The regulations also expressly recognize circumstances in which a forwarder may act as an agent of the shipper.[15] In other words, the responsibilities of a forwarder may depend in part on the role it is actually performing.

However, the revised DAWB may impose shipper-level contractual obligations on a forwarder even when it is acting in that traditional and long-standing agency capacity. Under the new DAWB, a forwarder acting as an intermediary for a disclosed shipper may become subject to contractual obligations as though it were acting as a shipper in its own name, even though it continues to act on the shipper's behalf, as an agent for a disclosed principal. This would alter and shift responsibility to the forwarder for matters that originate with the shipper, such as the accuracy of cargo and related shipment data and information, the contents or condition of the cargo (known to the shipper), packaging, or other shipper-controlled variables. In those circumstances, the forwarder may have limited ability to independently verify the information provided by the shipper or identify problems with cargo that it did not pack or prepare.

Expanding liability in this way also raises significant insurance concerns. Freight-forwarder insurance is generally structured around the activities and risks that forwarders undertake in the ordinary course of their business. Contractually assuming broader liabilities may create coverage gaps, higher premiums, or uninsured exposure.[16] Furthermore, 14 C.F.R. Part 296 and Part 297 require forwarders to disclose to shippers "the limits on the extent of [their] liability, if any" on all rate sheets and air waybills.[17] If the revised DAWB framework imposes contractual responsibility that is contingent on risks outside the forwarder's control, the resulting liability exposure may become indeterminate. A forwarder may be unable to accurately

[13] *See* 14 C.F.R. § 296.3 (2026); 14 C.F.R. § 297.3 (2026).

[14] *See id*.

[15] *See* 14 C.F.R. § 296.5 (2026); 14 C.F.R. § 297.5 (2026).

[16] *See* Katsiaryna Kliuyeva, *IATA Direct Air Waybill Amendments Raise Concerns Across the Air Cargo Supply Chain*, Eur. Shippers' Council (July 6, 2026), https://europeanshippers.eu/iata-direct-air-waybill-amendments-raise-concerns-across-the-air-cargo-supply-chain/.

[17] *See* 14 C.F.R. § 296.6 (2026); 14 C.F.R. § 297.30 (2026).

disclose its liability limits as required by the regulations, because the extent of its exposure will depend on events it can neither predict nor prevent, particularly where it has limited control over the cargo or the information supplied by the shipper. The revised framework thus creates not only a commercial mismatch between liability and control, but a potential regulatory compliance problem as well. The result may be increased costs not only for freight forwarders, but also for the shippers and businesses that depend on their services.

5. Industry Concerns Remain Unresolved

NCBFAA and AfA's concerns are not isolated. The amendments have generated significant concern among other freight forwarder trade associations, beneficial/proprietary shippers (i.e., cargo owners), and their representative organizations. For instance, the International Federation of Freight Forwarders Associations ("FIATA") formally invoked its review rights under IATA Cargo Agency Conference Resolution 801c, citing unresolved legal, operational, and insurance issues.[18] FIATA also repeatedly requested that the IATA-FIATA Consultative Council be convened and sought postponement of the amendments until that review could be completed.[19] Nevertheless, the amendments took effect on July 1 without the requested postponement and before completion of the formal review process.[20] The European Shippers' Council ("ESC") similarly called for further consultation and legal clarity.[21] Likewise, the Global Shippers' Forum ("GSF") supported additional review of changes affecting shippers' contractual relationships with airlines.[22]

In the United States, the Airforwarders Association ("AfA") stated that the revised framework could leave forwarders responsible for obligations traditionally borne by shippers, including cargo misdeclarations, concealed dangerous goods, and packaging failures.[23] AfA also raised concerns that existing forwarder liability insurance may not cover these expanded contractual obligations, and it advised forwarders to review their coverage.[24] Freight forwarders and their representative organizations are not resisting reasonable documentation, compliance, or accountability requirements. Their concern is that the revised framework may make an intermediary responsible for obligations or risks that properly belong to the shipper or another party.

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[18] Press Release, FIATA, FIATA Seeks Urgent Clarification from Airlines Ahead of Expedited Implementation of IATA Direct Air Waybill Changes (June 30, 2026), https://fiata.org/n/fiata-seeks-urgent-clarification-from-airlines-ahe/.

[19] *See id*.

[20] *See id*.

[21] *See* Kliuyeva, *supra* note 16.

[22] *See* Greg Knowler, *Pause IATA's New Air Waybill Rules Until Legal Clarity Resolved: Forwarders*, Journal of Commerce (July 1, 2026), https://www.joc.com/article/pause-iatas-new-air-waybill-rules-until-legal-clarity-resolved-forwarders-6246720.

[23] *See Airforwarders Association Issues New IATA Framework Forwarder Risk Warning on New IATA Air Waybill*, American Journal of Transportation (July 6, 2026), https://www.ajot.com/news/airforwarders-association-issues-new-iata-framework-forwarder-risk-warning-on-new-iata-air-waybill.

[24] *See id*.

The uncertainty also extends to implementation. Industry reports indicate that airlines may take different approaches to applying the revised framework.[25] IATA itself has advised forwarders to clarify directly with individual airlines the contractual arrangements, allocation of responsibilities, and liability framework that will apply to their shipments.[26] A global framework intended to create consistency should not leave freight forwarders uncertain about their liability from one airline to another.

The breadth of these concerns shows that the issues raised by the revised DAWB framework are not theoretical. Questions regarding legal liability, operational control, insurance coverage, and consistent application remain unresolved even as the framework has moved forward.

6. Conclusion

The dispute over the revised DAWB framework is not about whether freight forwarders should be accountable for their own conduct and for the obligations they undertake. The issue is whether forwarders should be required to assume liability for risks and conduct outside their role or control.

The Montreal Convention and the broader international air-carrier liability system establish a framework for international air carriage that should not be undermined by contractual terms shifting liability to a forwarder that neither caused nor controlled the underlying risk. Such a shift creates legal uncertainty, insurance concerns, and unnecessary costs throughout the air-cargo supply chain. For these reasons, NCBFAA and AfA oppose the revised DAWB framework in its current form.

[25] *See* Knowler, *supra* note 22.

[26] *See id.*