

# Montreal Convention 1999: a global standard



**Tim Colehan**  
Assistant Director External Affairs

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# Montreal Convention 1999

- MC99 is intended to replace the patchwork of regimes that developed since the Warsaw Convention in 1929
- Entered in to force in 2003
- It governs airline liability for passengers, baggage and cargo on international flights in cases of:
  - death, injury or delay to passengers
  - delay, loss or damage to baggage
  - delay, loss or damage to cargo
- IATA and its member airlines continue to support ICAO in promoting MC99 as **the** single, global Convention on airline liability




# MC99 status today

- 14 years after entry into force, 70% (129 Parties) have now ratified MC99
- A number of States have ratified this year including:
  - **Chad**
  - Indonesia
  - **Mauritius**
  - Russia
  - **Swaziland**
  - **Sudan**
  - Thailand
- 23 African States have not yet ratified
- The ‘patchwork’ of regimes that MC99 was designed to replace still remains in place



# Unfairness and complexity still exists.....

Example: a flight from Luanda, Angola (LAD) to Dubai, UAE (DXB)



Passenger 1  
Seat 4A  
LAD-DXB-LAD  
(WC29/HP55)

Passenger 2  
Seat 4B  
DXB-LAD-DXB  
(MC99)

Passenger 3  
Seat 4C  
LAD-DXB  
(WC29/HP55)

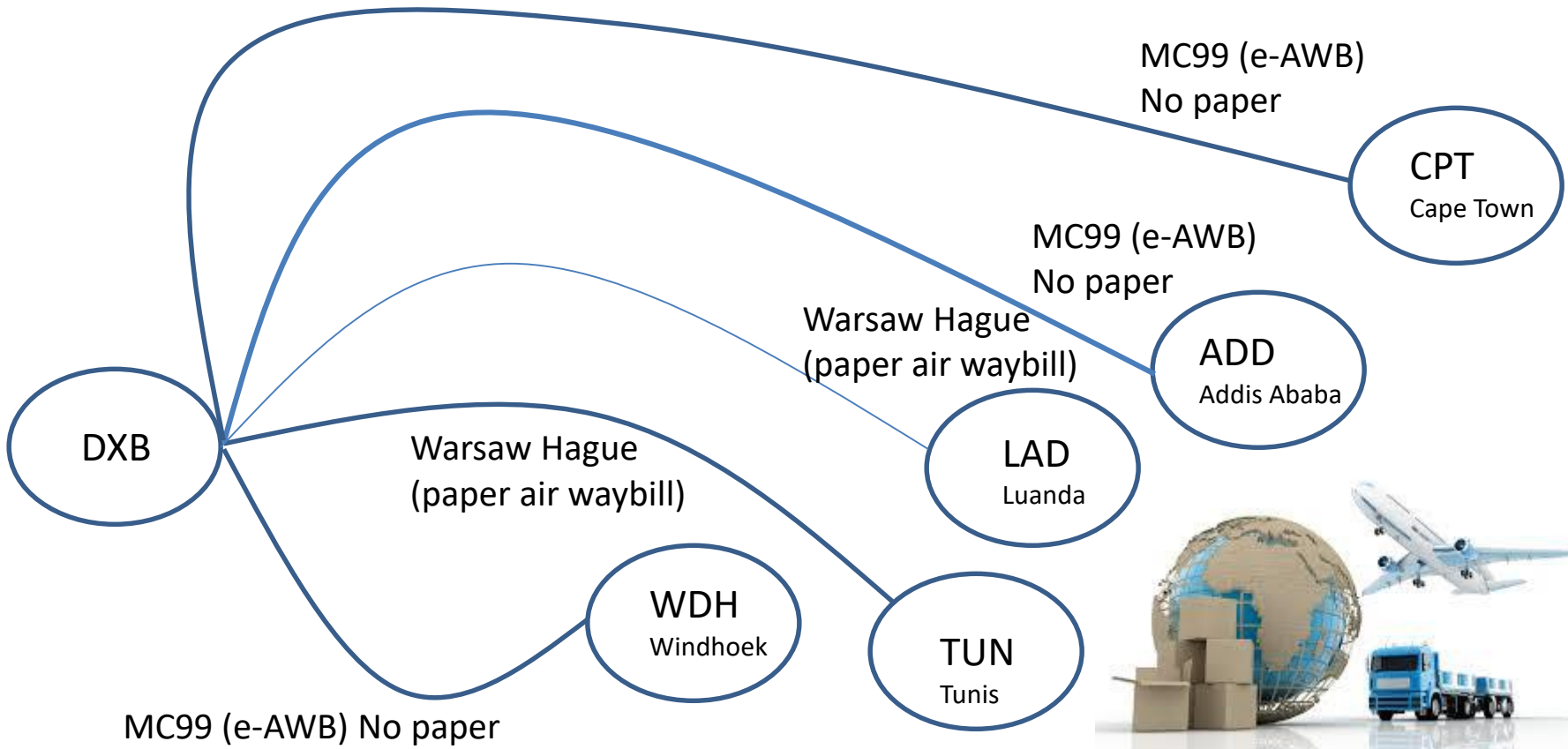


# MC99 is modern and fair

	Warsaw Convention (1929)	Hague Protocol (1955)	Additional Protocol 2 + Montreal Protocol 4	Montreal Convention 1999*
Death or injury	USD 12,000	USD 24,000	USD 25,000	<b>USD 160,000</b> <small>(first threshold, higher sums recoverable)</small>
Baggage	USD 20 per kg	USD 20 per kg	USD 25 per kg	<b>USD 1,600</b> <small>(new global limit, approx. USD 70 per kg on 23kg bag)</small>
Cargo	USD 20 per kg	USD 20 per kg	USD 25 per kg	<b>USD 27 per kg</b>
Provisions for electronic air waybills?	No	No	Yes <small>(with other MP4 Parties only)</small>	Yes

NB. \*Treaties don't express limits in USD but in IMF Special Drawing Rights (SDR). These have been calculated using xe.com for comparison purposes.

# Shippers using air cargo in non-MC99/MP4 countries are disadvantaged



# ICAO is urging ratification



PROVISIONAL EDITION  
OCTOBER 2016

## RESOLUTIONS

ADOPTED BY THE ASSEMBLY



ASSEMBLY – 39th SESSION  
Montréal, 27 September—6 October 2016

### **A39-9: Promotion of the Montréal Convention of 1999**

*Recalling its Resolution A37-22, Appendix C, relating to the ratification of instruments which have been developed and adopted under the auspices of the Organization, and Resolution A38-20, Promotion of the Montréal Convention of 1999;*

*Recognizing the importance of achieving a universal regime to govern airline liability to passengers and shippers on international flights;*

*Recognizing the desirability of an equitable, fair and convenient system for compensation for losses;*

*The Assembly:*

1. Urges all Contracting States to support and encourage the universal adherence to the Convention for the Unification of Certain Rules for International Carriage by Air, done at Montréal on 28 May 1999 (Montréal Convention of 1999);



# Why is MC99 so important?

- It represents a win-win for all stakeholders
- Important protections and benefits for passengers
  - Faster shipments for businesses that rely on air cargo
  - Reduction in administration, cargo litigation and ability to use electronic air waybills for airlines
  - A practical, no-cost trade facilitation measure, so good for the economy

# Passengers I

- Sensible and fair rules for death and injury under MC99 – makes available full compensation:
  - first tier recovery threshold: SDR 113,100 (USD 170,000) for death/injury arising from an “accident”
  - carrier is presumptively liable up to this amount (passengers do not have to prove fault, just quantum)
  - can recover above first tier, but carrier defenses applicable
- Ends limits as low as just USD 12,000 and USD 24,000 for death and injury under Warsaw/Hague regime

# Passengers II

- Consumer friendly – can claim in five jurisdictions:
  - domicile of carrier
  - carrier's principal place of business
  - carrier's place of business where contract made
  - place of destination
  - passenger's place of principal/permanent residence
  
- Allows immediate assistance payments

# Passengers III

- Indexed limits/thresholds:
  - all limits can be revised under review clause
  - ensures MC99 remains a modern and relevant regime

# Cargo benefits I

- MC99 permits substitution of air waybills by other means preserving a record of carriage
- IATA electronic air waybill (e-AWB) project is compatible with MC99
- eAWB can only be implemented in MC99 trade lanes (where both States are Parties to MC99\*)
- eAWB delivers improved shipment times, customs compliance, security and competitiveness of air freight versus other modes

\*or between Parties to MP4

Take  
the paper  
**OUT** >>>

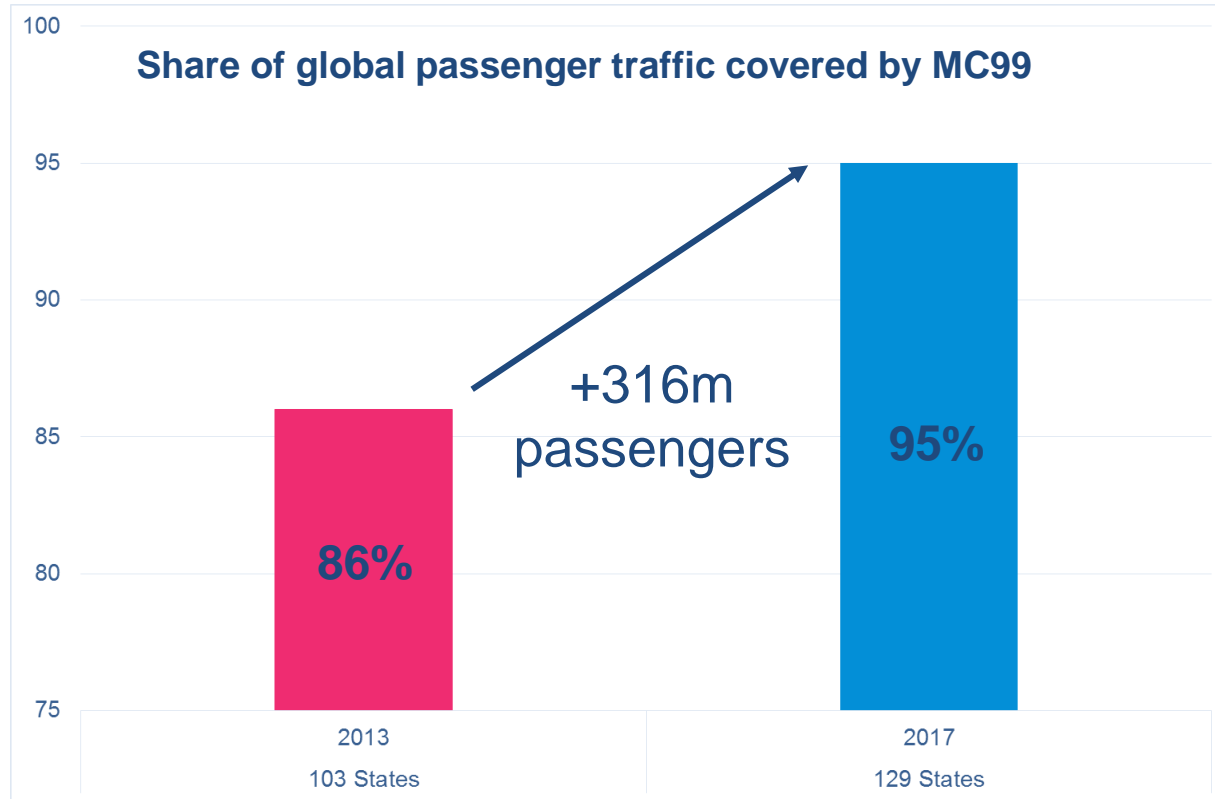


# Cargo benefits II

- Unbreakable limit for cargo
  - SDR 19 per kilogram – unbreakable
  - higher limit available if special declaration made and supplementary sum paid to carrier
  - brings certainty to carriers – ends arbitrary rule where documentary/waybill particulars missing, carrier would lose limit of liability: see Warsaw/Hague
- **Result:** simplified claims handling and less litigation for airlines



# MC99 can deliver significant economic value



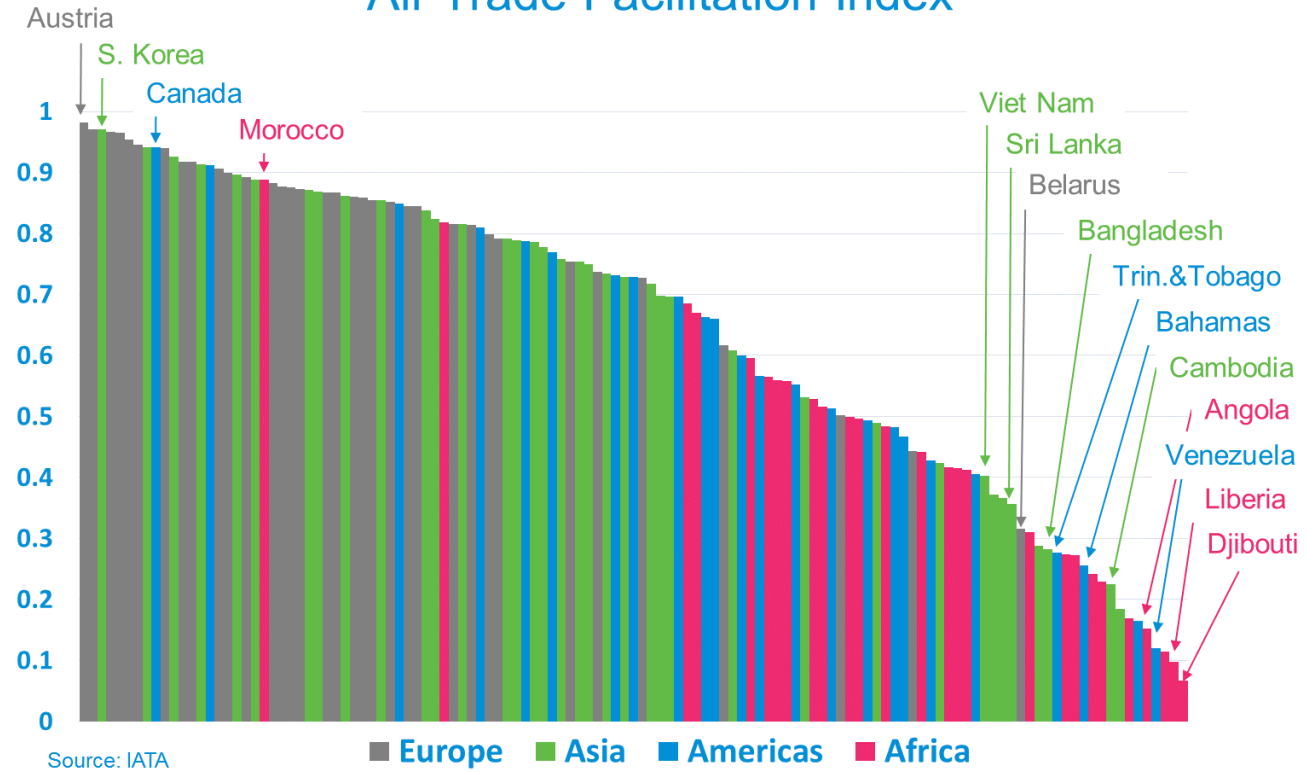
**US\$ 493 Billion**

additional bilateral trade  
opened to e-freight

Equivalent to  
**7% of air cargo**  
by value

# Trade facilitation – MC99 can help!

## Air Trade Facilitation Index





# Summary

- MC99 offers a host of benefits for airlines, passengers, shippers and governments
- ICAO itself is urging all remaining States to ratify MC99
- Africa is a dynamic, fast growing aviation market – MC99 is an example of international regulation best practice
- We call on all remaining States to become a party to MC99 at the earliest possible opportunity