

INTERNATIONAL TRADE & SHIPPING GLOSSARY

A

Accessorial Service

A service in addition to usual liner service, normally with an added cost such as packing, loading, storage etc.

Accrual

An accounting concept: gradual increase by addition over a period of time. A way of recognizing an expense (or revenue) and the related liability (or asset) can increase over time.

Acquiescence

When a bill of lading is accepted or signed by a shipper or shipper's agent without protest, the shipper is said to acquiesce to the terms, giving a silent form of consent.

Advice Notice

A notice sent to a local or foreign buyer advising a shipment has gone forward. Notice contains packing and routing details, etc. A copy of the invoice is usually enclosed and, if desired, a copy of the bill of lading.

Advising Bank

The bank advising a seller that a letter of credit has been opened in his favour by the buyer. The advising bank does not necessarily guarantee payment.

Affreightment Contract

An agreement by a steamship line to provide cargo space on a vessel to an exporter or importer at a specified time and price.

Agent

A person authorized to transact business in the name of another person or company.

Air Freight Forwarder

A type of freight forwarder who specializes in air cargo.

Air Waybill

The forwarding agreement between the shipper and air carrier obtained from the airline used to ship goods. Air waybills are issued only in non-negotiable form.

All Commodity Rate

A freight rate applying to all commodities with some restrictions.

All Inclusive Rate (AI)

A freight rate inclusive of all charges.

Allowance

A sum granted as a reimbursement or repayment; a deduction from the gross weight or value of goods.

Also Notify Party

A second notify party to whom the carrier sends its arrival notice advising of goods coming forward for delivery.

Apparent Good Order

This is when freight appears to be free of damage so far as a general survey can determine.

Arbitration

A procedure under which a neutral third party hears both the union's and the employer's side in

a dispute, and issues an award that is binding upon both; also the final step of a grievance process.

Arrival Notice

Advice that a carrier sends to the consignee advising of goods coming forward for delivery. Pertinent information such as B/L number, container number and total charges due from consignee are included. Notice is sent to consignee prior to vessel arrival. This is done gratuitously by the carrier to ensure smooth delivery. There is no obligation by the carrier to do so. The responsibility to monitor transit and take timely delivery still rest with the consignee.

Awkward Cargo

Cargo of irregular size that can either be containerised (packed in container) or non-containerised (without equipment associated with) during transportation. This requires prior approval on case-by-case basis before confirmation of booking.

B

Bank Guarantee

Guarantee issued by a bank to a carrier to release cargo in lieu of original bill of lading.

Basic Freight

Ocean freight excludes all charges.

Berth Term

When goods are shipped under a rate that does not include the cost of loading or unloading.

Bill of Lading (B/L)

This is an official legal document that represents ownership of cargo; a negotiable document used to receive cargo and contract for cargo between a shipper and a carrier.

B/L Master

A document provided by the shipper after handing over cargo to the carrier, telling the carrier how the B/L should be raised. It is also known as B/L instruction or shipping instruction.

Black Powder Content

IMCO standard information required for explosive dangerous goods.

Blanket Waybill

A waybill that covers two or more consignments of freight.

Blocked Train

Railcars in a train grouped by destination so segments (blocks) can be uncoupled and routed to different destinations as the train moves through various junctions.

BLS (Bales)

A type of packing unit.

Bobtail

This is the movement of a tractor without a trailer, over the highway.

Bond

Shipments moving under a country customs bond.

Bond Port

Port of initial entry of a vessel to any country per customs regulations. Also known as First Port of Call.

Bonded Freight

Freight moving under a bond to U.S. Customs, to be delivered only under stated conditions.

Bonded Indemnity

A certificate filed with a carrier, relieving it from liability to which it would otherwise be subject.

Bonded Warehouse

A warehouse bonded by customs authorities for storage of bonded goods prior to cargo being cleared; a facility or consolidation centre authorized by customs to store goods (usually separately on dutiable & non-dutiable goods) pending customs inspection and clearance. The goods in a bonded warehouse are secured under customs custody. The payment of duties and taxes are only payable once the goods are removed. Authorized operators of a bonded warehouse are often required to provide a custom bond.

Booking

Arrangements made with a carrier, steamship or airline, for the acceptance and carriage of freight.

Booking Number

A reference number for booking registered.

Booking Status

The status of the booking process from the time of registration to the final stage of acceptance or rejection.

Bottom Air Delivery

A condition whereby temperature controlled air is introduced into the container at floor level.

Break-Bulk (BB)

Term used to describe cargo which cannot be containerised (packed in container) due to its size and/or nature.

Break-Bulk Cargo

Goods shipped loose in the vessel's hold and not in a container.

Broken Stowage

A void or empty space in a container not occupied by cargo.;the loss of space caused by irregularity in the shape of packages.

Brokerage Fee

Fee paid to freight forwarder by the carrier for services performed.

Bulk Carriers

A vessel carrying dry, liquid, grain, unpackaged, bundled or bottled cargo, and loaded without marks and number or count.

Bulk Freight

Not in packages or containers; shipped loose in the hold of a ship.

Bulk-Freight Container

Refers to a container with a discharge hatch in the front wall; allows bulk commodities to be grasped by loading hatches.

Bull Rings

Cargo-securing devices mounted in the floor of containers; allow securing of cargo.

Bundle (BDL)

A type of packaging unit.

Bunkers

Heavy oil used as fuel for ocean vessels.

Bunker Adjustment Factor (BAF)/Bunker Surcharge (BSC)

Surcharges assessed by the carrier to reflect current cost of bunkers.

C**C.A.F (Currency Adjustment Factor)**

C.A.F is a percentage by which the rate is increased or decreased in response to fluctuating exchange rates.

Capacity/Weight (Container)

Total internal container volume (length x width x depth)

Cargo

All articles, goods, materials, merchandise or wares carried on board an aircraft, ship, train, or truck and for which an air waybill, bill of lading, or other receipt is issued by the carrier.

Cargo Manifest

A manifest listing only cargo items, without freight and charges.

Carnet

Various customs documents required for crossing international borders.

Carriage and Insurance Paid To (CIP)

Title and risk pass to the buyer when delivered to the carrier by a seller who pays transportation and insurance cost to destination. Used for any mode of transportation.

Carriage Paid To (CPT)

Title, risk and insurance cost pass to the buyer when delivered to the carrier by a seller who pays transportation cost to destination. Used for any mode of transportation.

Carrier

Any individual, company or corporation secured to transport goods.

Carrier's Lien

The carrier's right to retain property as security for charges.

Cartage

A charge for transporting goods short distances within a commercial area or town. Also referred to as drayage or haulage.

Certificate of Origin

Document that certifies the country of origin of goods. Used between members of a trading community where special privileges are granted to goods produced in certain countries.

C.F. (Cu. Ft.)

Cubic feet.

Charter Party (C/P)

A written contract between the owner of a vessel and the person desiring to employ the vessel; sets forth the terms of the arrangement, such as freight rate and ports involved in the trip.

Chassis

A wheeled flat bed or trailer constructed to accommodate containers moved over the road.

Chock

A piece of wood or other material placed at the side of cargo to prevent it from rolling or moving sideways.

Clean Bill of Lading

A bill of lading stating the goods have been shipped in apparent good order and condition.

Clearance Limits

The size beyond which cars or loads cannot use bridges, tunnels, etc.

Cleared Without Examination

Customs clearance without inspection.

Closing Date

The last day export cargo can be accepted for a nominated sailing.

C.O.D.

Cash on Delivery.

C.O.F.C.

Container on a railway flatcar.

Collapsible Container

Container with hinged or removable parts; its volume can be reduced when transported empty.

Collecting Bank

In documentary credit, the bank (usually the buyer's bank) that collects cash payment from a buyer in exchange for a bill of lading and/or other documents, which enables the buyer to take delivery of the shipment. The collecting bank then forwards the payment to the remitting bank (usually the seller's bank) for eventual remittance to the seller.

Combined Transport

The combination of two or more modes of transport of goods.

Commercial Invoice

An itemized list of goods shipped, usually included among an exporter's collection papers.

Commodity

Goods and materials.

Commodity Rate

Rates of freight applied individually to articles that move regularly.

Common Carrier

For-hire transportation provider that serves without discrimination and provides scheduled service to designated points. Carrier will transport cargo that is certified and is named as the carrier in the contract of carriage.

Concealed Damage

Damage affecting the contents of a sealed shipping container.

Concealed Loss

Contents missing from a package that appears unopened.

Conference Rate

Freight rates arrived at by a conference of carriers, generally water carriers.

Confirmed Letter of Credit

A letter of credit issued by a foreign bank. The validity of the bank has been confirmed by a

domestic bank. An exporter with a confirmed letter of credit is assured of payment even if the foreign buyer or the foreign bank defaults.

Confirming Bank

The bank that adds its confirmation to the issuing bank's letter of credit and promises to pay the beneficiary upon presentation of documents in compliance with the letter of credit.

Connecting Carrier

A carrier that has a physical connection with another or that forms a link between two or more carriers.

Consignee

The consignee is considered to be the owner of goods for the purpose of filing customs declarations, as well as paying the duties and taxes. Formal ownership of the consignment transfers to the consignee only after the seller's invoice is paid in full. Consignee is the company (buyer) named by the seller in the transportation documents as the party where the goods will be delivered at the port of destination.

Consignor

A person or company shown on the bill of lading as the shipper.

Consolidated Cargo

Cargo containing shipments of two or more shippers, usually shipped by a firm (consolidator). The consolidator takes advantage of lower full container rates, and savings are passed on to shippers.

Consolidation

Combining several smaller shipments into a full container load.

Consolidator

A person or firm performing a consolidation service for others.

Container

A trailer body that can be detached from a chassis and loaded onto a vessel, rail car or stacked in a container depot. Containers can be ventilated, insulated or refrigerated. Container sizes can range from 20, 40, 45, 48 or 53 feet in length.

Container Freight Station (CFS)

Shipping dock where cargo is loaded and/or unloaded from containers.

Container Freight Station to Container Freight Station (CFS/CFS)

Goods will be packed loose into the container at the port of origin, and unpacked at the port of destination at the carriers' risk and expense. This is also called pier-to-pier.

Container Freight Station to House (CFS/CY)

Goods will be packed into the container by the carrier at the port of origin, at the carriers' risk and expense. Goods will be unpacked at the carriers' premises at the port of destination by the consignee at their own risk and expense.

Container Load

Load of goods sufficient in size to fill a container either by cubic measurement or by weight.

Container Load Plan (CLP)

A document prepared to show all details of cargo loaded in a container, such as weight, measurement, markings, shippers, consignees, the origin/destination of goods and location of cargo within the container.

Container Number

The identification number of a container.

Container Size

The length of a container.

Container Status

The location status of a container.

Containership

An ocean vessel specifically designed to carry ocean cargo containers.

Container Yard (CY)

Port facility where containers are accepted for loading onboard ships, and off-loaded containers are delivered to consignee. This is also called a "marshalling yard."

Contract Carrier

Not a common carrier; a carrier that (under special and individual contracts or agreements) transports passengers or property for compensation.

Controlled Atmosphere (CA)

Sophisticated computer controlled systems that regulate the mixture of gasses within a container.

Copy B/L

Duplicate of original bill of lading that is non-negotiable.

Corner Castings

Fittings located on the top and bottom of container corner posts; designed for handling and securing a container.

Correction Memo

An internal document that registers amendment to the bill of lading and/or manifest after bill of lading is issued to shipper.

Cost Insurance and Freight (CFR/C.I.F.)

Both title and risk are passed to the buyer when delivered on board the ship by a seller who pays the transportation and insurance cost to destination port. Used for sea or inland waterway transportation.

Credit Agreement

An agreement between the carrier and shipper for the release of cargo with the promise to pay ocean freight within a specific time.

Cu. (Cubic)

A unit of volume measurement.

Cubic Foot

The equivalent of 1,728 cubic inches.

Cubic Meter (C.B.M.) (C.M.)

A measure of cargo volume.

Custom House

A country Treasury Department office where duties on foreign shipments are handled.

Customhouse Broker

A person licensed by local customs acting as a professional agent for an importer or exporter. The broker prepares and submits documents for clearing goods through customs.

Customs Invoice

An extended form of commercial invoice required by customs that includes the description, quantity, selling price, freight, insurance, packing costs, terms of delivery, payment, weight and/or volume of goods. Used to determine customs import value at the destination port.

Customs Trade Partnership Against Terrorism (C-TPAT)

C-TPAT is U.S. legislative body enforcing internal physical security and awareness within carriers.

Cut-Off Time

The latest possible time that cargo may be delivered to vessel.

CY/CY

Cargo loaded by shipper in a full container at origin and delivered to the carrier's terminal at destination for pick up intact by consignee.

D**Dangerous Goods**

The term used for hazardous materials capable of posing a significant risk to health, safety or property while being transported.

Dead Space

The space in a car, truck or vessel that is not used.

Dead Weight (D.W.)

The number of tons a ship can transport of cargo, stores and bunker fuel.

Delivered at Frontier (DAF)

Title, risk and responsibility for import clearance pass to the buyer when delivered to a border point named by the seller.

Delivered Duty Paid (DDP)

The price invoiced or quoted by the seller includes all charges and duties and taxes up to the destination named by the buyer.

Delivery Duty Unpaid (DDU)

Term of sale where the price invoiced or quoted by the seller includes all charges (freight, insurance and other associated charges except import duties and taxes). Title, risk and responsibility of the import clearance pass to the buyer when the seller delivers goods at destination point. Buyer is obligated for import clearance. Seller fulfills his obligation when goods have been made available at the country of import.

Delivered Ex Ship (DES)

The seller delivers when the goods are placed at the disposal of the buyer on board the ship not cleared for import at the named port of destination. The seller has to bear all the costs and risks involved in bringing the goods to the named port of destination before discharging. If the parties wish the seller to bear the costs and risks of discharging the goods, then the DEQ term should be used.

Delivered Ex Quay (DEQ)

The seller delivers when the goods are placed at the disposal of the buyer not cleared for import on the quay (wharf) at the named port of destination. The seller bears the costs and risks involved in bringing the goods to the named port of destination and discharging the goods on the quay (wharf). The buyer is responsible to clear the goods for import and to pay for all formalities, duties, taxes and other charges upon import.

Delivery Order

For pre-paid shipments, the delivery order is the written direction from a consignor (or shipper) of a shipment to the carrier or freight forwarder. The delivery order includes instructions to release the shipment to the selected delivery party. For collect freight (Free on board) shipments, the order by the carrier to port authorities to release a shipment to the named delivery party on payment of freight charges.

Demurrage

The penalty given for exceeding free time allowed (usually 72 hours) for loading or unloading at a pier or freight terminal.

Depot (Container Depot)

A container freight station is where empty containers can be picked up or dropped off.

Destination

The place to which a shipment is consigned and where the carrier turns over cargo to his agent or consignee.

Destination Delivery Charges (DDC)

A charge based on container size applied to many tariffs to cargo. The DDC charge is considered accessorial and is added to the ocean freight charges. Covers, crane lifts off the vessel, gate fees and drayage.

Detention

Penalty charges for detaining a container/trailer at customer's premises for longer period than allowed.

Devanning

The process in which a container is unsealed and all its contents are taken out. Also known as unstuffing.

Distribution

The movement of goods from the source through the distribution channel to the final customer, consumer or user.

Diversion

A change made in the route of a shipment in transit.

Divert

The route of a shipment changed in transit from that shown on the original billing.

Dock

The loading or unloading platform at an industrial location or carrier terminal.

Dock Receipt

A form used to acknowledge the receipt of cargo at a steamship pier. When delivery of a foreign shipment is completed, the dock receipt is surrendered to the vessel operator and serves as the basis for preparation of the ocean bill of lading.

Door-to-Door

Transport or shipping arrangement that ensures direct flow of goods from the exporter to the importer. (Point of origin to point of sale).

Double-Deck Load

A second tier of cargo that is placed on the first tier of cargo.

Double Stack Train (DST)

Rail or train capable of carrying two 40' containers.

Dray

A truck or other equipment designed to haul heavy loads.

Drayage Charge

The charge for transporting goods for short distances within a commercial area or town. This is also called cartage or haulage.

Dry Cargo

Cargo that does not require any temperature controls.

Dunnage

Lumber or other material used to brace material in carrier's equipment.

E**En Route**

Item is in transit.

ETA

Estimated time of arrival.

ETD

Estimated time of departure.

Expiry Date

The final date where draft and documents are to be presented to the negotiating, accepting, paying or issuing bank to effect payment.

Export

Products or services of local origin sold to other countries.

Export Declaration

Customs documents completed and submitted by an exporter at the port of export to: provide information regarding the amount, nature and value of exports to provide statistical information on trade data and to serve as an export control document. In some cases a certificate of origin or an export licence may be required.

Express B/L

A non-negotiable form of the original bill of lading sent via fax or electronically.

Ex Works (EXW)

Title and risk passes to the buyer (includes payment of all transportation and insurance cost) from the seller's door.

F**Feeder Service**

Short sea vessel that transfers cargo between a central hub port.

FF

Freight Forwarder

Final Destination (FND)

The end of a carrier's liability where the carrier delivers the cargo to the consignee.

Food and Drug Administration (FDA)

United States agency responsible for the safety of food, cosmetics, medical drugs and devices.

The FDA reviews new drug applications, implements standards and regulates the sale of drugs that are restricted.

Forty-Foot Equivalent Unit (FEU)

Container cargo equal to one 40-foot container (40x8x8 feet). Also includes two 20-foot (20x8x8 feet) containers.

Forwarder

The freight forwarder acts as an agent on behalf of the shipper.

Free Alongside Ship (FAS)

Term of sale where the price invoiced or quoted by a seller includes all charges only up to the ship at the port of departure. The buyer is responsible for loading as well as all subsequent charges.

Free Carrier (FCA)

Term of sale where the price invoiced or quoted by a seller includes charges up to the placement of the goods into custody of the carrier at a place selected by the buyer.

Free In and Out (FIO)

The charterer of the vessel is responsible for the cost of loading and unloading goods from the vessel.

Free On Board (FOB)

The price invoiced or quoted by the seller includes all charges up to the goods being placed on board a ship at the port of departure selected by the buyer.

Free Trade Zone

The port designated by government for duty-free entry of non-prohibited goods.

Freight

The price paid to the carrier for transporting goods by sea or goods that are in the process of being transported from place to place.

Freight All Kind (FAK)

A carrier's tariff classification for various goods that are pooled and shipped together at one freight rate. Consolidated shipments may be classified as freight of all kind.

Full Container Load (FCL)

Full container load is a standard (20 or 40-foot) container loaded/stuffed and unstuffed under the risk and account of the shipper or consignee. Full container loads assume lower freight rates than the equivalent weight of break-bulk cargo.

Fumigation

Treatment with a pesticide active ingredient.

G

Gateway

A point where freight moving from one territory to the next is interchanged between transportation lines.

General Order

Issued by U.S. Customs as a notice of intention to seize goods.

General Rate Increase (GRI)

Used to describe tariff rate increases.

Gross Weight

The entire weight of goods, packaging and freight car or container ready to be shipped.

H

Harmonized System of Codes (H.S.)

An international goods classification system for describing cargo in international trade under a single commodity-coding scheme.

Haulage

A charge for transporting goods short distances within a commercial area or town. Also referred to as drayage or cartage.

High Cube

A container that exceeds 8'6" in height.

House B/L

Bill of lading issued by a freight forwarder.

I

IATA Cargo Agent

A type of freight forwarder who specializes in air cargo and is registered with the International Air Transportation Association (IATA).

Import

Shipment of goods from a foreign country.

Import Licence

A document required and issued by national governments authorizing the importation of goods.

Inbound

Direction of vessel or cargo to port of discharge or final destination.

Incoterms

Abbreviation for the International Chamber of Commerce terms of sale.

Insulated Container

A container insulated on the roof, floor, doors and walls to reduce the effect of external temperatures on cargo.

Insurance

An insurance policy or certificate that covers merchandise from the time they leave the warehouse at the shipping point until they reach destination.

Interchange Points

The location where one carrier delivers freight to another carrier.

Intermodal

Movements of cargo containers between transport modes such as motor, water and air.

In Transit

In transit or in passage.

Issuing Bank

The bank that issues or opens a letter of credit.

L

Less-Than-a-Container-Load (LCL)

Cargo that is less than the required load for a full container load rate.

Letter of Credit

A document issued by a bank per instructions by the buyer of goods, authorizing the seller to draw a specific sum of money under specific terms.

Load Factor

The percent of loaded containers against the total capacity of vessel or allocation.

M

Manifest

Document that lists all bills of lading issued by a vessel; a detailed summary of the total cargo of a vessel, used for customs purposes.

N

Negotiable Bill of Lading

Original bill of lading endorsed by the shipper that is used for negotiating with the bank.

Net Tonnage

A vessels' gross tonnage not including the space occupied by crew, machinery, fuel or engine room. The net tonnage expresses the space available for passengers and/or cargo.

Net Weight

Actual or estimated weight of goods without its container and/or packaging.

Non-Negotiable B/L

Copy of an original bill of lading that cannot be negotiated with the bank.

O

Ocean Bill of Lading

Contract for transportation between the shipper and a carrier; acts as a receipt of cargo by the carrier. It shows ownership of the cargo and (if made negotiable) can be bought, sold or traded while the goods are in transit.

P

Packing List

Itemized list of commodities in a shipment including the quantity, description and weight of the goods. Prepared by the shipper and sent to consignee to check for accuracy of the delivered goods. Also called a packing slip.

Pallet

A platform (usually made of rough undressed wood) with or without sides, where a number of packages or pieces can be loaded so that it can be handled by a lift truck.

Partial Shipment

The delivery of an order in two or more consignments under the terms of a letter of credit.

Pier

The structure where a vessel is secured for unloading and loading cargo.

P.O.D. (Port of Discharge)

Place where a vessel (ship or aircraft) is off-loaded and the shipments are allocated to their respective consignees.

P.O.L. (Port of Loading)

Place where shipments are loaded and secured aboard a vessel.

Port

Harbor equipped with cargo and passenger handling equipment.

Port of Discharge (POD)

Where a vessel, ship or aircraft is off-loaded and shipments are distributed to their respective consignees.

Port of Entry

Place where imported goods are admitted into the importing country.

Port of Loading

Place where shipments are loaded onto a vessel.

Power of Attorney

Written legal authority given by one party to another.

Pro Forma Invoice

An invoice provided by the supplier prior to the shipment of merchandise that informs the buyer of the types of goods, quantities, value, weight and size.

R**Reefer**

Temperature controlled container.

Release Note

Receipt signed by customer acknowledging delivery of goods.

S**Shipment**

The tender of one lot of cargo at one time, from one shipper to one consignee, on one bill of lading.

Shipper

Consignor, exporter or seller named in the shipping document as the party responsible for initiating the shipment.

Surcharge

Additional charges.

T

Tariff

Published list of fares, freight charges, prices and rates.

Terminal

Assigned area where containers are prepared for lading onto a vessel or stacked after discharge from the vessels.

Terminal Handling Charge (THC)

Charges assessed by the terminal for handling full container loads at ocean terminals.

Terminal Receiving Charge (TRC)

Charges assessed by the terminal for cargo being delivered for export.

Twenty-Foot Equivalent Unit (TEU)

Standard unit for describing a ship's cargo carrying capacity. A standard 40-foot container is two TEUs.

V

Voyage Number

Numeric identification of a round trip sailing vessel on a fixed trade lane.

W

Warehouse

Facility designed for temporary storage.

Waybill (WB)

Official shipping document that moves with a shipment, identifying the consignee, consignor, destination and origin. The waybill also describes the goods and confirms weight.