

GLOSSARY OF TERMS

AAD – Administrative Accompanying Document

A transit document used by Customs authorities to control the movement of goods the subject to excise duty within the EC

Aggregators

Large operators that contract with railways for a scheduled train and who market/sell the space to shippers/forwarders

Arbitration

The process by which parties to a dispute submit their differences to the judgement of an impartial third person or group selected by mutual consent.

Arrival Notice

Notice furnished to consignee of the arrival of freight. Estimated arrival date of vessel
Shipment details (packages, weight etc) Free time expiration Often a freight bill

Assignment

The transfer of all or part of an assignor's contractual rights to an assignee.

Air Waybill (AWB)

A document issued by an air carrier to a shipper that serves as a receipt for goods and as evidence of the contract of carriage, but which is not a document of title for the goods.

Banding

Material used to attach a crate to a pallet.

BIFA

British International Freight Association

Bill of Exchange

A method of payment where the seller prepares a draft together with various documents of title/possession (e.g. sales invoice, insurance certificate, Bill of Lading) and which the seller's bank, through their local representative, presents to the buyer for "acceptance." "Acceptance" binds the buyer to pay enabling the release of the documents of title/possession to the buyer

Bill of Lading

A transit document governing a movement of goods by sea. It has three functions, evidence of the contract of carriage, a goods receipt and a transferable document of title

Bonded goods

Goods that have not cleared customs.

Bonded warehouses

Warehouses authorised by Customs authorities to receive dutiable goods on duty suspended terms

Box trailer

A trailer with a rigid roof and sides allowing access via the rear doors only

Break-Bulk

The separation of a single consolidated bulk load into smaller individual shipments for delivery to the ultimate consignees

Bulk Cargo

Loose cargo, not unitized, not loaded in containers or on pallets.

C&F – Cost & Freight

A term of sale where the goods are at the buyer's risk from the moment they pass over the vessel's rail in the agreed port of departure. The buyer is responsible for arranging insurance from this moment. The seller is responsible for the carriage costs up to the arrival of the goods at the port of destination

CAD – Cash against Documents

A transaction in which the buyer assumes title to the goods purchased on payment of the sale price in cash

Carnet

A customs document permitting the holder to carry or send merchandise temporarily into certain foreign countries (for display, demonstration or similar purposes) without paying duties or posting bonds.

Carrier

A company who, through a contract of carriage, undertakes to perform or procure the performance of carriage by rail, road, sea, air, inland waterway, or by a combination of modes.

Certificate of Origin

A document in which certification is made as to the country or origin of the merchandise

Charterparty

A contract to hire an entire ship for a particular voyage or for a particular period of time.

CFS - Container Freight Station

Usually applies to LCL cargo where cargo is packed and then despatched overseas and then has to be unpacked at destination before delivery to consignee. Some FCL traffic may also be handled this way

CIF – Cost Insurance and Freight

A term of sale where the goods are at the buyer's risk from the moment they pass over the vessel's rail in the agreed port of departure. The seller is responsible for the carriage costs and for arranging insurance up to the arrival of the goods at the port of destination

CIM

The rules that regulate the international carriage of goods by rail. See also **COTIF**

CIM note

A non title transit document governing a movement of goods by rail under CIM terms

CMR

The convention that regulates the international carriage of goods by road

CMR note

A non title transit document governing a movement of goods by road under CMR terms

COD - Cash on Delivery

A transaction in which the goods are paid for in cash immediately on receipt by the buyer

Common Carrier

A for hire carrier that holds itself out to transport goods and serve the general public at reasonable rates and without discrimination.

Common law

The legal system of England and countries that were once English colonies. It is based primarily on court-made rules or precedent.

Conference

A group of ocean carriers who adopt a common freight tariff and combine to provide a rationalised schedule of sailings to offer the best coverage and frequency to the market

Consignee

The party to whom goods are shipped and delivered. The receiver of a freight shipment.

Consignor

The party who originates a shipment of goods (shipper). The sender of a freight shipment, usually the seller

Consolidation

Combining two or more shipments in order to realize lower transportation rates. Inbound consolidation from vendors is called make-bulk consolidation; outbound consolidation to customers is called break-bulk consolidation

Container

A non-wheeled unit for the conveyance of goods

COTIF

The convention that incorporates **CIM** – see **CIM**

CY

Container yard/terminal

Deck Cargo

Cargo carried on deck rather than stowed under deck. On-deck carriage is required for certain commodities, such as explosives.

Demurrage

A charge made by a ship owner when a charterer keeps a ship idle for more than the agreed-upon lay days - see **Lay days**

DES - Delivered Ex Ship

A term of sale where the goods are at the seller's risk until the seller makes the goods available to the buyer on board a designated ship uncleared for import at the named port of destination

DDP – Delivered Duty Paid

A term of sale where the goods are at the seller's risk until they are delivered to the agreed destination. The seller is responsible for all the carriage costs as well as any duty and taxes and for arranging insurance

DDU – Delivered Duty Unpaid

A term of sale where the goods are at the seller's risk until they are delivered to the agreed destination. The seller is responsible for all the carriage costs but not for any duty and taxes and for arranging insurance

Distribution Centre

A post-production warehouse for finished goods.

Dunnage

Material used around cargo to prevent breakage or shifting, normally provided by shipper. Its weight is included in the rating.

EDI (Electronic Data Interchange)

The paperless exchange of standard business transactions or information by electronic computer-to-computer transfer, generally requiring little or no human intervention

EIR

Equipment interchange receipt

Export License

A document secured from a government, authorizing a shipper to export a specific quantity of a particular commodity to a certain country. An export license is often required when a government places restrictions upon exports

Ex Works

A term of sale where the goods are at the buyer's risk from the moment they are collected from the seller's premises. The buyer is responsible for all carriage costs and for arranging insurance.

FAS - Free Alongside Ship

A term of sale where the goods are at the buyer's risk when they have been placed alongside the vessel on the quay or in lighters at the named port of shipment

FCL – Full Container Loads

A containerised shipment with a complete single shipment

FCR - Forwarder's Cargo Receipt

A negotiable document issued by a forwarder which will satisfy legal requirements for a letter-of-credit. Since a forwarder is not an NVOCC it cannot issue actual Bills of Lading. The FCR is a legally binding substitute for the B/L which was pioneered by Sea-Land and is now an industry standard

Feeder Vessel

A vessel that connects with a line vessel to service a port not directly served by that line vessel.

FEU

Forty Foot Equivalent Unit i.e. 1x 20' Container

FIATA

Federation Internationale des Associations de Transitaires et Assimiles

Flatbed trailer

A trailer with no roof and sides apart from a front headboard for load stability and which requires sheeting protection

Flat Rack

A platform designed with the flexibility to carry oversized cargo on board container vessels. It can be loaded from the sides and top, usually having adjustable or removable bulkheads at the front and back.

FOB – Free on Board

A term of sale where the goods are at the buyer's risk from the moment they pass over the vessel's rail in the agreed port of departure. The buyer is responsible for the carriage costs and for arranging insurance from this moment

Free Circulation

Goods which were either wholly produced within the EC or have entered the EC on full payment of duties

Free Delivered (Franco Domicile)

A term of sale where the goods are at the seller's risk until they are delivered to the agreed destination. The seller is responsible for all the carriage costs and for arranging insurance

Freight collect

Freight charges are the responsibility of the consignee

Freight forwarder

An independent business that dispatches shipments for exporters for a fee. The firm may ship by land, air, or sea, or it may specialize. Usually it handles all the services connected with an export shipment, including preparation of documents, booking cargo space, warehousing, pier delivery, and export clearance. The firm may also handle banking and insurance services on behalf of a client.

Freight pre-paid

Freight charges are the responsibility of the consignor

FTA

Freight Transport Association

GA – General Average

The principal whereby all cargo owners share the costs incurred to ensure the safety of a ship that is exposed to a sea peril

Genset

Generator sets which supply power to refrigerated containers when no external source is available

Gross weight

The weight of the goods including packing, wrappers, or containers, both internal and external. The total weight as shipped

Groupage

The consolidation, into one shipment, of a number of individual consignments

GSP – General System of Preferences

The duty free import of goods from developing countries up to a specific quota limit

Hague (rules)

A convention governing the international movement of goods by sea

Hague-Visby (rules)

A convention governing the international movement of goods by sea

HAWB – House Airway Bill

A non title transit document issued by a forwarder governing a consolidated movement of goods by air under Warsaw terms

HBL - House Bill of Lading

Bill of Lading issued by a Freight Forwarder – see **Bill of Lading**

Hi (or High) Cube

Any container exceeding 102 inches in height.

Himalaya Clause

A term in a bill of lading which purports to extend to third parties the carrier's liability limits established by the Hague and Hague-Visby Rules.

IATA

International Air Transport Association

Igloo

A contoured structural container designed for use in main-deck carriage on narrow body aircraft

Incoterms

The terms of sale (13) published by the International Chamber of Commerce

Integrators

Large global air carriage operators that prefer to own/charter their own aircraft and employ their own ground delivery force

Intermodal

The movement of freight utilising different transport modes

Jurisdiction

The authority or power of a court or tribunal to hear a particular case or dispute.

Just-In-Time (JIT)

An inventory control system that controls material flow into assembly and manufacturing plants by coordinating demand and supply to the point where desired materials arrive just in time for use

Lay days

The days that a charterer may keep a chartered ship idle for the loading of goods.

LCL – Less than Container Load

A containerised shipment comprising a number of individual consignments

Letter of Credit

A method of payment where “cash” is made available through a bank in the country of export so that payment can be obtained locally by the seller against production of certain specified documents. Usually the Letter of Credit is prepared by the seller, via his local bank and who will instruct their overseas representative to notify the seller of the terms and process the transaction

Logistics

The process of planning, implementing, and controlling the efficient, effective flow and storage of goods, services, and related information from point of origin to point of consumption for the purpose of conforming to customer requirements.

Lo Lo – Lift on Lift off

A facility to load by crane

Manifest

A list of the goods being transported by a carrier

MAWB – Master Airway Bill

A non title transit document issued by the airline governing a movement of goods by air under Warsaw terms

Mediation

Bringing about a peaceful settlement or compromise between parties to a dispute through the intervention of an impartial third party.

Mitigation

Obligation of a party claiming damages to keep the damages to a minimum

Net weight

The weight of the goods themselves without the inclusion of any packing.

NVO(C)C - Non Vessel Owning/Operating (Common) Carriers

A carrier (typically a freight forwarder) that issues their own Bill of Lading on vessels that they do not own or operate

OBL - Ocean Bill of Lading

Bill of lading issued by the Shipping Line / Owners – see **Bill of Lading**

Outsource

To utilize a third-party provider to provide services previously performed in-house.

Packing list

A detailed specification as to goods packed (inventory).

Pallet

A device used for moving and storing freight. Commonly, it is about four feet square and is so constructed as to facilitate placement of a lift truck between the levels of a platform to move it on a freight car or into a warehouse

Particular average

A loss to a ship or its cargo which is not to be shared by contributions from all those interested, but is to be borne by the owner of the injured thing.

Pick/Pack

Picking of product from inventory and packing into shipment containers

Piggyback

A method of transport that allows the conveyance of wheeled vehicles.

Pro Forma Invoice

An invoice provided by a supplier prior to the shipment of merchandise informing the buyer of the kinds and quantities of goods to be send, their value, and important specifications (weight, size, etc.).

Proof of Delivery (POD)

Information supplied by the carrier containing the name of the person who signed for the shipment, the time and date of delivery, and other shipment delivery related information

REDS – Registered Excise Dealers and Shippers

UK traders authorised by HM Customs to receive, outside of the bonded warehouse arrangements, dutiable goods on duty payable on receipt terms

Reefer - Refrigerated trailer

A trailer with an integral temperature control unit

RHA

Road Haulage Association

Rigid vehicle

A vehicle where the driver's cab and the load carrying section are mounted on a common rigid chassis

Road Train

A rigid vehicle towing a draw-bar trailer

Ro Ro - Roll on Roll off

A facility to load wheeled freight

SAD – Single Administrative Document

A transit document used to control the movement of goods within the EC that are not in Free Circulation. Commonly referred to as a T Form

SDR - Special Drawing Right

As defined by The International Monetary Fund and representing a notional unit of account based on a "basket of currencies. Its' object is to produce a unit of account which does not fluctuate as much as a single currency. Values appear daily in The Times/The Financial Times.

Seal

A device used for locking a steamship container, freight car, or motor vehicle door. An unbroken seal services as evidence that the door fastening has not been tampered with since the time of applying the seal.

Sight bill

Bill of exchange that is payable at the time it is presented or at a stated time after presentment

Skids

Slang for pallet – see **Pallet**

SSN

Standard Shipping Note

Stevedore

Agency retained by the vessel operator or agent to determine the method cargo is to be loaded/discharged and to provide the necessary equipment and labor to execute the handling and supervise the actual handling process.

Stowage

The general loading of cargo

Stripping

The unloading of cargo from a container.

Stuffing

The loading of cargo into a container

Supply Chain Management (SCM)

The management and control of all materials, funds, and related information in the logistics process from the acquisition of raw materials to the delivery of finished products to the end user

Swapbodies

A non wheeled non stackable unit for the conveyance of goods

T Form – Transit Form

See **SAD**

Tare Weight

Weight of an empty container. Gross weight = net weight + tare weight

TBL - Through Bill of Lading

A single bill of lading covering both the domestic and international carriage of a export shipment

TEU

Twenty Foot Equivalent Unit i.e. 1x 20' Container

Tankcontainer

A container used for the carriage of bulk liquids

Tautliner (Curtain-sider)

A flat bed trailer with a fixed rigid roof, rear end doors and side curtains

THC - Terminal Handling Charge

Charge levied by shipping companies reflecting the port stevedoring costs

Tilt trailer

A flatbed trailer with a removable framework covered by canvas/nylon/plastic and with low drop sides allowing all round access

TIR – Transports Internationales Routiers

A vehicle (typically a tilt trailer) carrying the “TIR” sign has been inspected by its national transport authority and is certified as conforming with international security requirements, facilitating the quick passage through customs frontiers

Trailer

A wheeled road vehicle without any motive power

Transshipment

The transfer of a shipment from one carrier/mode of transport to another

UKWA

United Kingdom Warehousekeepers Association

ULD – Unitised Load Device

A container or pallet designed for air cargo designed to match the aircraft configuration and cargo stowage arrangements

Warehousekeeper

A company that stores goods

Warsaw

The convention that regulates the international carriage of goods by air