



POTA Global Management

Shipping Glossary

Term	Description
Accessorial service	A service in addition to usual liner service, normally with an added cost. Such kind of services include packing, loading, storage, etc.
Accrual	An accounting concept. It is a gradual increase by addition over a period of time and is a way of recognising that an expense (or revenue) and the related liability (or asset) can increase over time and not as signalled by an explicit cash transaction.
Ad Valorem	According to value.
Ad Valorem Duty	A customs duty which is a percentage made upon the value of goods.
Ad Valorem Freight	Bill of lading freight charged on goods of very high value at so much percent on the declared value of the goods.
Ad-Valorem Tariff	A tariff rate charged as a percentage of the value of goods being imported or exported
Advice of Shipment	A notice sent to a local or foreign buyer advising that shipment has gone forward and containing details of packing, routing, etc. A copy of the invoice is usually enclosed and sometimes, if desired, a copy of the bill of lading.
Advising bank	The bank which advises the seller that a letter of credit has been opened in his favour by the buyer, however, the advising bank does not necessarily guarantee payment.
Agent (Agt.)	A person authorized to transact business for and in the name of another person or company.
Air waybill	The air waybill (also called air consignment note) is the forwarding agreement or carrying agreement between shipper and air carrier and is obtained from the airline used to ship the goods in question. Air waybills are issued only in nonnegotiable form.
All commodity rate	A freight rate applying, with certain restrictions, to any and all commodities.
All inclusive rate (AI)	Freight rate that is 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 carrier sends its arrival notice advising of goods coming forward for delivery.
Anti-dumping duties	Duties imposed on goods that are deemed to have been exported below market value, causing injury to producers of competing products in the importing country. These duties are equal to the difference between the goods' export price and their normal value.
Apparent Good Order	When freight appears to be free of damage so far as a general survey can determine.
Arbitrary	A stated amount over a fixed rate to one point to make a rate to another point.
Arrival notice	Advice that carrier sends to consignee advising of goods coming forward for delivery. Pertinent information such as BL number, container number and total charges due from consignee, etc are included and sent to consignee prior to vessel arrival. This is done gratuitously by carrier to ensure smooth delivery but there is no obligation by carrier to do so and the responsibility to monitor transit and present himself to take timely delivery still rest with the consignee.
Awkward cargo	Cargo of irregular size that either be containerised (packed in container) or uncontainerised (without equipment associated with) in the transport. They require prior approval on case by case basis before confirmation of booking.
B/L Master	A document provided by the shipper after handing over the cargo to the carrier, tells the carrier how the B/L should be raised. Also known as B/L instruction or shipping instruction.
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	Shipped under rate that does not include cost of loading or unloading carrier.
Bill of lading (B/L)	Official legal document representing ownership of cargo; negotiable document to receive cargo; contract for cargo between shipper and carrier.
Blank Endorsed	When a bill of lading is made out to order or shipper order and the shipper has signed on the back of it, it is said to be blank endorsed. The bill of lading then becomes a bearer instrument and the holder can present it to the shipping company to take delivery of the goods.
Bonded freight	Freight moving under a bond to U.S. Customs or to the Internal Revenue Service, and to be delivered only under stated conditions.

Term	Description
Bonded indemnity	A certificate filed with a carrier, relieving it from liability to which it would otherwise be subject.
Bonded Logistics Park (Center)	It Improves logistics between free trade zones and ports when free trade zones are isolated from the ports. Within a bonded logistics park, there are bonded warehousing, allotment and distribution, information processing, import and export trade, customs check and maintenance, commodities exhibition, and centralized Customs declaration. Import, export and distribution of the cargo do not undergo Customs check procedures of both the ports and the free trade zones. The customs process in bonded logistics parks significantly achieves the advantages of the country's preferential policies for both the FTZ and ports.
Bonded warehouse	A warehouse bonded by customs authorities for storage of bonded goods prior to cargo being cleared. A facility or consolidation centre that is authorized by customs to store goods, usually separately on dutiable & non-dutiable goods, pending customs inspection and clearance. The goods in it are secured under customs custody. The payment of duties and taxes are only payable once the goods are removed. Authorized operators of bonded warehouse are often required to provide custom bond.
Booking	Arrangements with a carrier, often a steamship or airline, for the acceptance and carriage of passengers or freight.
Booking number	A reference number for booking registered. It should be unique without duplication in three years period.
Breakbulk (BB)	A term used to describe cargo which cannot be containerised due to its size and/or nature.
Break-bulk cargo	Goods shipped loose in the vessel's hold and not in a container.
BSRA	Basic Service Rate Additional - usually an unpacking charge.
Bulk freight	Not in packages or containers; shipped loose in the hold of a ship. Grain, coal and sulfur are usually bulk freight.
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 lashing and securing of cargo.
Bunker surcharge (BAF, BSC)	Bunker Adjustment factor (BAF), or Bunker Surcharge (BSC) are surcharges assessed by carrier to freight rates to reflect current cost of bunker.
Bunkers	Heavy oil used as fuel for ocean vessel.
C.A.F.	Currency Adjustment Factor. Percentage by which the rate is either increased or decreased in response to fluctuating exchange rates.
C.F.S.	See Container Freight Station.
C.O.D.	Collect (cash) on Delivery; Carried on Docket (pricing); Change of Destination.
C.O.G.S.A.	Carriage of Goods by Sea Act.
Capacity/Weight (Container)	Total internal container volume (LxWxD) or weight limitation.
Captain's protest	A document prepared by the captain of a vessel on arriving at port; shows conditions encountered during voyage, generally for the purpose of relieving ship owner of any loss to cargo and shifting responsibility for reimbursement to the insurance company.
Carnet	Any of various customs documents required for crossing some international borders.
Carnet	The "ATA Carnet" is an international customs document that permits duty-free temporary import of goods (eg commercial samples) for up to one year. The initials "ATA" are an acronym of the French and English words "Admission Temporaire/Temporary Admission".
Carrier	Any individual, company or corporation engaged in transporting goods.
Carrier's lien	Right of carrier to retain property as security for charges.
Cash Against Documents (CAD)	A transaction where full shipping documents are sent to a bank or agent at the destination instructing they are only to be handed over in exchange for full payment by the receiver of the goods.
Certificate of origin	Document certifying the country of origin of goods which is normally issued or signed by a Chamber of Commerce or Embassy.
CFR	One of 13 INCOTERMS. "Cost and Freight" means that the seller delivers when the goods pass the ship's rail in the port of shipment.
CFS/CFS	A kind of cargo movement by container. Delivered loose at origin point with vanning by carrier, devanned by carrier at destination, and picked up loose at destination.
CFS/CY	A kind of cargo movement by container. Loose cargo received at origin point, loaded in a container by carrier, then delivered intact at destination.

Term	Description
Chassis	A wheeled flat bed or a trailer constructed to accommodate containers moved over the road.
CIF	One of 13 INCOTERMS. "Cost, Insurance and Freight" means that the seller delivers when the goods pass the ships's rail in the port of shipment.
CIP	One of 13 INCOTERMS. "Carriage and Insurance paid to..." means that the seller delivers the goods to the carrier nominated by him, but the seller must in addition pay the cost of carriage necessary to bring the goods to the named destination. This means that the buyer bears all risks and any additional costs occurring after the goods have been so delivered. However, in CIP the seller also has to procure insurance against the buyer's risk of loss of or damage to the goods during the carriage.
Claused Bill	A Bill of Lading claused to show that the goods received by the shipping company were not in good order and condition.
Clean bill of lading	A bill of lading which states that the goods have been shipped in apparent good order and condition without any qualification or remarks.
Collecting bank	A bank that acts as an agent to the seller's bank (the presenting bank). The collecting bank assumes no responsibility for either the documents or the merchandise.
Collection Bank	Bank in the drawee country that is instructed to collect payment from the drawee
Combined transport	Carriage by more than one mode of transport against one contract of carriage.
Commercial invoice	Represents a complete record of the transaction between exporter and importer with regard to the goods sold. Also reports the content of the shipment and serves as the basis for all other documents about the shipment.
Conference	An association of ship owners operating in the same trade route who operate under collective conditions and agree on tariff rates.
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, whose validity 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 another bank's (the issuing bank's) letter of credit and promises to pay the beneficiary upon presentation of documents in compliance with the letter of credit.
Consignee	A person or company to whom the shipment of commodities are to be consigned.
Consignor	The person or company consigning a shipment to buyer that is shown on the bill of lading as the shipper.
Consolidated cargo	Cargo containing of shipments of two or more shippers, usually shipped by a firm called a consolidator. The consolidator takes advantage of lower F.C.L. rates, and savings are passed on to shippers.
Consolidation	The combination of many small shipments into one container.
Consolidator	A person or firm performing a consolidation service for others.
Container	A vehicle designed to transport cargo of many types in continuous transportation. It is also referred to an unit of packaging which is smaller in sense in which articles are packed.
Container freight station (CFS, C.F.S.)	Consolidation depots where parcels of cargo are grouped and loaded into containers.
Container load plan (CLP)	A document prepared to show all details of cargo loaded in a container, eg. weight (individual and total), measurement, markings, shippers, consignees, the origin & destination of goods, and location of cargo within the container.
Container number	The unique identification of a container.
Container part load	A shipment that does not utilize the full volume of a container nor the maximum payload by weight; additional part loads may be added.
Container seal number	The number of high security seal provided by OOCL.
Container size	The length of a container i.e. 20", 40" and 45" (feet).
Container status	The status of a container in term of location, custody and cargo status for cargo tracking use.
Container type	The purpose of a container of which the code is to be adhered to ISO standard.
Containerload	A load sufficient in size to fill a container either by cubic measurement or by weight.
Containership	An ocean vessel specifically designed to carry ocean cargo containers. It is fitted with vertical cells for maximum capacity.

Term	Description
Contract of Affreightment	An agreement by a steamship line to provide cargo space on a vessel at a specified time and for a specified price to accommodate an exporter or importer.
Copy B/L	Duplicate of original bill of lading and is non-negotiable.
CPT	One of 13 INCOTERMS "Carriage paid to ..." means that the seller delivers the goods to the carrier nominated by him but the seller must in addition pay the cost of carriage necessary to bring the goods to the named destination. This means that the buyer bears risks and any costs occurring after the goods have been so delivered.
Credit agreement	Agreement between carrier and shipper for release of cargo with promise to pay ocean freight within specific time.
Custom house	A country Treasury Department office where duties, etc., on foreign shipments are handled.
Customhouse broker	Also known as Custom Broker. A person or firm, licensed to engage in entering and clearing goods through customs and/or the government office (Custom house) where duties and/or tolls are placed on imports or exports. The duties of a broker include preparing the entry blank and filing it; advising the importer on duties to be paid; advancing duties and other costs; and, arranging for delivery to his client, his trucking firm, or other carrier.
Customs invoice	A form requiring all data in a commercial invoice along with a certificate of value and/or a certificate of origin. Required in a few countries (usually former British territories) and usually serves as a seller's commercial invoice.
Cut-off time	Latest possible time cargo may be delivered to vessel or designated point.
CY	Container Yard. Point at which carrier hands over to or receive laden containers from merchant haulier. Commonly where mode of transport changes e.g. a sea port, feeder terminal, barge terminal or rail ramp.
CY/CFS	Cargo loaded in a full container by a shipper at origin, delivered to pier facility at destination, and then devanned by carrier for loose pick up.
CY/CY	Cargo loaded by shipper in a full container at origin and delivered to carrier's terminal at destination for pick up intact by consignee.
DAF	One of 13 INCOTERMS. "Delivered at Frontier" means that the seller delivers when the goods are placed at the disposal of the buyer on the arriving means of transport not unloaded, cleared for export but not cleared for import at the named point and place at the frontier, but before the customs border of the adjoining country.
Dangerous Goods	The term used by I.M.C.O. for hazardous materials which are capable of posing a significant risk to health, safety or property while being transported.
DDC	Destination Delivery Charges. A charge assessed by the carrier for handling positioning of a full container.
DDP	One of 13 INCOTERMS. "Delivery duty paid" means that the seller delivers the goods to the buyer, cleared for import, and not unloaded from any arriving means of transport at the named place of destination. The seller has to bear all the costs and risks involved in bringing the goods thereto including where applicable, any "duty" (which term includes the responsibility for and the risk of the carrying out of customs formalities and the payment of formalities, customs duties, taxes and other charges) for import in the country of destination.
DDU	One of 13 INCOTERMS. "Delivery duty unpaid" means that the seller delivers the goods to the buyer, not cleared for import, and not unloaded from any arriving means of transport at the named place of destination. The seller has to bear the costs and risks involved in bringing the goods thereto, other than, where applicable, any "duty" (which term includes the responsibility for and the risks of the carrying out of customs formalities, and the payment of formalities, customs duties, taxes and other charges) for import in the country of destination. Such "duty" has to be borne by the buyer as well as any costs and risks caused by his failure to clear the goods for import in time.
Dead Space	Space in a car, truck, vessel, etc., that is not utilized.
Deferred Payment Credit (DPC)	A DC which allows the nomination of a bank, or the issuing bank to effect payment against stipulated documents at a maturity date as specified or determinable from the wording of the credit.
Delivery Order	A document authorizing delivery to a nominated party of goods in the care of a third party. Can be issued by a carrier on surrender of a bill of lading and then used by merchant to transfer title by endorsement.
Demurrage (Dem.)	Charge raised for detaining FCL container/trailer at a terminal/CY for longer period than provided in a tariff. Also known as Wharf Storage in Australia.

Term	Description
Depot, Container	Container freight station or a designated area where empty containers can be picked up or dropped off.
DEQ	One of 13 INCOTERMS. "Delivered Ex Quay" means that 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 has to bear costs and risks involved in bringing the goods to the named port of destination and discharging the goods on the quay (wharf). The DEQ term requires the buyer to clear the goods for import and to pay for all formalities, duties, taxes and other charges upon import.
DES	One of 13 INCOTERMS. "Delivered Ex Ship" means that 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.
Destination	The place where carrier actually turns over cargo to consignee or his agent.
Detention	Charges raised for detaining container/trailer at customer's premises for longer period than provided in Tariff.
Devanning	The removal of cargo from a container. Also known as unstuffing, unloading or stripping.
DFA	Duty Free Allowance
Distribution	The process of storing, transporting goods between the end of the production line and the final customer. It involves set of activities which demands the goods are delivered in desired quality, quantity, place & time.
Diversion	A change made in the route of a shipment in transit. Also see Reconsignment.
Divert	The route of a shipment changed in transit from that shown on the original billing. Used interchangeably with reconsign.
Dock	(a) The water alongside a pier or wharf. (b) Loading or unloading platform at an industrial location or carrier terminal.
Dock Receipt	A form used to acknowledge receipt of cargo at a steamship pier. When delivery of a foreign shipment is completed, the dock receipt is surrendered to the vessel operator or the operator's agent and serves as basis for preparation of the ocean bill of lading.
Documentary Credit	The basis of international trade by means of which payment is made against surrender of specified documents.
Documents of Title	Documents that give their owner the right to the goods, i.e. Bill of Lading.
Door-to-Door	Through transportation of a container and its contents from consignor's premises to consignee's premises.
Drawback	The repayment of customs duties paid on merchandise that later is exported either "as is" or as part of a finished product
Dry Cargo	Cargo that does not require temperature control.
Dry-Bulk Container	A container constructed to carry grain, powder and other free flowing solids in bulk.
Dumping	When goods are exported at a price less than their normal value, generally meaning they are exported for less than they are sold in the domestic market or third-country markets, or at less than production cost.
Dunnage (Dge.)	Lumber or other material used to brace material in carrier's equipment.
Duty Free Zone	See Free Trade Zone
ECN	Export Clearance Number - a permit required for all exports over the value of AU\$2000.00 per consignment.
Entry Declaration	See Quarantine Declaration.
ETA	Estimated time of arrival.
ETD	Estimated time of departure.
Ex Works	An INCOTERMS term of sale applicable to all modes of transport.
Expiry Date	The final date on which the draft and documents must be presented to the negotiating, accepting, paying or issuing bank to effect payment.
Export Declaration	A government document permitting designated goods to be shipped out of the country.
Express B/L	A special facility granted by carrier under guarantees from shipper/consignee to release cargo to named consignee without presenting original B/L. Also called "Sea Waybill"

Term	Description
EXW	One of 13 INCOTERMS. "Ex works" means that the seller delivers when he places the goods at the disposal of the buyer at the seller's premises or another named place (i.e. works, factory, warehouse, etc) not cleared for export and not loaded on any collecting vehicle.
F.A.K.	Freight All Kind. System whereby freight is charged per container, irrespective of nature of goods, and not according to a Tariff. (Please also refer to All Commodity Rate)
F.C.L.	Full Container Load. Arrangement whereby shipper utilizes all the space in a container which he packs himself.
F.E.U.	Forty-foot Equivalent Unit. (40" or 2 Teus) FEU.
F.I.O.	Free In and Out.
FAS	One of 13 INCOTERMS. "Free Alongside Ship" means that the seller delivers when the goods are placed alongside the vessel at the named port of shipment. This means that the buyer has to bear all costs and risks of loss or damage to the goods from that moment.
FCA	One of 13 INCOTERMS. "Free Carrier" means that the seller delivers the goods, cleared for export, to the carrier nominated by the buyer at the named place. It should be noted that the chosen place of delivery has an impact on the obligations of loading and unloading the goods at that place. If delivery occurs at the seller's premises, the seller is responsible for loading. If delivery occurs at any other place, the seller is not responsible for unloading.
FCL/FCL	See CY/CY.
FCL/LCL	See CY/CFS.
Feeder Service	Sea transportation as performed by feeder operator.
Feeder Vessel	Vessel employed in normally short sea routes to fetch or carry goods and containers to and from ocean going vessels.
FEU	Forty-foot Equivalent Unit (40" or 2 Teus) F.E.U.
FF	Freight Forwarder.
Final Destination (FND)	End of carrier's liability where carrier delivers the cargo to consignee.
Flash Point	The temperature reaching which for certain inflammable cargo will trigger spontaneous ignition. It is an IMCO standard information requirement for dangerous goods.
FMC	Federal Maritime Commission. US Government Agency responsible for regulatory aspects of all maritime activities.
FOB	One of 13 INCOTERMS. "Free on board" means that the seller delivers when the goods pass the ship's rail at the named port of shipment. This means that the buyer has to bear all costs and risks of loss of or damage to the goods from that point. The FOB term requires the seller to clear the goods for export. This term can be used only for or inland waterway transport. If the parties do not intend to deliver the goods across the ships's rail, the FCA terms should be used.
Force Majeure	An event outside the control of the parties to the contract.
Forwarder	Known also as Freight Forwarder, Foreign Freight Forwarder. It's an individual or business that dispatches shipments by land, air, or sea, or it may specialize for exporters and for a fee. Usually it handles all the services in the collection, consolidation, shipping and distribution of goods connected with an export shipment; preparation of documents, booking cargo space, warehouse, pier delivery and export clearance. The firm may also handle banking and insurance services on behalf of a client.
Free Trade Agreement (FTA)	A contractual agreement between two or more parties under which they give each other preferential market access. The agreement must apply to substantially all the trade in goods between the two parties and must not erect new barriers to other countries. Modern FTAs typically also cover trade in services, as well as other non-tariff issues such as the recognition of standards, customs cooperation, protection of intellectual property rights and regulation of foreign investment.
Free Trade Zone	Sometimes called "customs free zones" or "duty free zones". It is a generic term referring to special commercial and industrial areas. At which by special customs procedures it allows the importation of non-prohibited foreign goods (including raw materials, components, and finished goods) without the requirement that duties be paid immediately. If the merchandise is later exported, duty free treatment is given to re-exports. The zones are usually located in or near ports of entry. Merchandise brought into these zones may be stored, assembled, processed or used in manufacture prior to re-export or entry into the national customs territory. When manufacturing activity occurs in free trade zones, it usually involves a combination of foreign and domestic merchandise, and usually requires special governmental authority.

Term	Description
Freight	(a) The price paid to the carrier for the transportation of goods or merchandise by sea from one place to another. (b) Freight is also used to denote goods which are in the process of being transported from one place to another.
Freight Ton	See Revenue Ton.
Fumigation	Treatment with a pesticide active ingredient that is a gas under treatment conditions.
G.R.I.	General Rate Increase - General Agreement on Tariff and Trade.
GATT	An international multilateral agreement embodying a code of practice for fair trading in international commerce.
General Average	General average is an unwritten, non-statutory, international maritime law which is universally recognized and applied. It is founded on the principle that vessel and goods are parties to the same venture and share exposure to the same perils, which may require sacrifice or the incurring of extraordinary expense on the part of one for the benefit of the whole venture.
General Order	Issued by U.S. Customs as notice of intention to seize goods.
Gross Tonnage	Applies to vessels, not to cargo. Determined by dividing by 100 the contents, in cubic feet, of the vessel's closed-in spaces. A vessel ton is 100 cubic feet.
Gross Weight	Entire weight of goods, packaging and container, ready for shipment.
Gross Weight	The weight of the merchandise in its shipping form, i.e. including all its packaging.
Groupage	A consolidation service, putting small shipments into containers for shipment.
Hague Rules	1924 International Convention on Carriage of Goods by Sea. These rules govern liability for loss or damage to goods carried by sea under a bill of lading.
Hague-Visby Rules	1968 Revision of Hague Rules.
Hamburg Rules	In March 1978 an international conference in Hamburg adopted a new set of rules (The Hamburg Rules), which radically alter the liability which shipowners have to bear for loss or damage to goods in the courts of those nations where the rules apply.
Harmonized Commodity Description and Coding System	A multi-purpose international code for classifying goods moving in international trade under a single commodity code. This code is a hierarchically structured product nomenclature containing approximately 5,000 headings and subheadings describing the articles moving in international trade.
HAWB	House Airway Bill - this is a document issued by the Freight Forwarder, acting as a carrier, clearly showing the contract of affreightment between the freight forwarder and the exporter.
HBL	House Bill of Lading (the Bill of Lading issued by a Freight Forwarder), acting as a carrier, clearly showing the contract of affreightment between forwarder and exporter.
Heavy Lift	Articles too heavy to be lifted by a ship's tackle.
Heavy-Lift Charge	A charge made for lifting articles too heavy to be lifted by a ship's tackle.
High Cube	Any container which exceeds 8 feet 6 inches in height, usually 9 feet 6 inches.
House B/L	Bill of lading issued by forwarder.
House-to-House (H/H)	See CY/CY.
House-to-Pier (H/P)	See CY/CFS.
Hub	A facility in the infrastructure where transport-related services (collection & distribution) and commercial activities are performed, and it focuses on logistics-centre management, facilities management, maintenance and supply chain.
I.C.C.	International Chamber of Commerce - A Paris-based international forum that aims to facilitate trade.
I.M.C.O.	International Maritime Consultative Organization. A forum in which most major maritime nations participate and through which recommendations for the carriage of dangerous goods, bulk commodities and maritime regulations become internationally acceptable.
IATA Cargo Agent	A freight forwarder licensed to handle air cargo. They are registered with the International Air Transport Association (IATA).
IMDG Code	International Maritime Dangerous Goods Code - The IMO (UN) recommendations for the carriage of dangerous goods by sea.
Import License	A document required and issued by some national governments authorizing the importation of goods into their individual countries.
Import Permit	Usually required for items that might affect the public health, morals, animal life, vegetation, etc. Examples include foodstuffs, feedstuffs, pharmaceuticals (human and veterinary), medical equipment, seeds, plants and various written material (including tapes, cassettes, movies, TV tapes or TV movies). In some countries an import permit is the same as an import license.

Term	Description
Incoterms	Incoterms are a set of uniform rules codifying the interpretation of trade terms defining the rights and obligation of both buyer and seller in an international transaction, thereby enabling an otherwise complex basis for a sale contract to be accomplished in three letters. Incoterms are drafted by the International Chamber of Commerce.
Insurance	An insurance policy or certificate normally covers the shipments of merchandise from the time they leave the warehouse at the shipping point until they reach the destination point named in the policy or certificate.
Insurance Certificate	Where the seller provides ocean marine insurance, it is necessary to furnish insurance certificates, usually in duplicate. The certificates are negotiable documents and must be endorsed before submitting them to the bank. The seller can arrange to obtain an open cargo policy that the freight forwarder maintains.
Insurance With Average- Clause	This type of clause covers merchandise if the damage amounts to 3 percent or more of the insured value of the package or cargo. If the vessel burns, sinks, collides, or gets sunk, all losses are fully covered. In marine insurance the word average describes partial damage or partial loss.
Insurance, All-Risk	This type of insurance offers the shipper the broadest coverage available, covering against all losses that may occur in transit.
Insurance, Particular-Average	A Marine insurance term to refer to partial loss on an individual shipment from one of the perils insured against, regardless of the balance of the cargo (in this way it differs from general-average insurance). Particular-average insurance can usually be obtained, but the loss must be in excess of a certain percentage of the insured value of the shipment, usually 3 to 5 percent, before a claim will be allowed by the company.
Intermodal	Used to denote movements of cargo or container between motor, rail or water carriers.
Intermodal Transport	Moving ocean freight containers by various transportation modes. The fact that the containers are of the same size and have common handling characteristics permits them to be transferred from truck to railroad to air carrier to ocean carrier.
Interstate	Between states.
Intrastate	Within a state.
Irrevocable Credit	Constitutes a definite undertaking of the issuing bank and the confirming bank, if any, to honour the credit provided the terms of the credit are observed. It may be advised to the beneficiary without engagement by the advising bank, and cannot be amended or cancelled unless the issuing bank, the confirming bank and the beneficiary agree.
ISPS	International Shipping & Port Security. The International anti-terrorist legislation organised by IMO.
Issuing Bank	The bank that has issued or opened a letter of credit. Also known as Opening Bank.
Issuing Bank	The bank that opens a documentary credit at the request of its customer, the applicant.
L.C.L.	Less than Container Load. Cargo in quantity less than required for the application for the application of a container load rate.
Landed Cost (or Landed Price)	The total cost comprising goods, insurance, freight, loading, unloading, inland transport and anything else involved in clearing the goods at the port of destination.
LCL - NVO	More often known as "Consolidator". Their business focuses on providing services related to consolidate parts or smaller consignments, LCL (Less than Container Load) cargoes into larger unit. They derive profit by paying the vessel operating carrier the lower consolidated rate.
LCL/FCL	See CFS/CY.
LCL/LCL	See CFS/CFS.

Term	Description
Letter of Credit	<p>(a) Back-to-Back: A secondary letter of credit issued to a beneficiary on the strength of a primary credit;</p> <p>(b) Clean: A letter of credit that requires the beneficiary to present only a draft or a receipt for specified funds before receiving payment;</p> <p>(c) Confirmed: A revolving letter of credit that permits any amount not utilized during any of the specified periods to be carried over and added to the amounts available in subsequent periods;</p> <p>(d) Deferred Payment: A letter of credit issued for the purchase and financing of merchandise, similar to acceptance-type letter of credit, except that it requires presentation of sight drafts payable on an installment basis;</p> <p>(e) Irrevocable: An instrument that, once established, cannot be modified or cancelled without the agreement of all parties concerned;</p> <p>(f) Non-cumulative: A revolving letter of credit that prohibits the amount not used during the specific period to be available in the subsequent periods;</p> <p>(g) Restricted: A condition within the letter of credit which restricts its negotiation to a named bank;</p> <p>(h) Revocable: An instrument that can be modified or cancelled at any moment without notice to and agreement of the beneficiary, but customarily includes a clause in the credit to the effect that any draft negotiated by a bank prior to the receipt of a notice of revocation or amendment will be honored by the issuing bank;</p> <p>(i) Revolving: An irrevocable letter issued for a specific amount; renews itself for the same amount over a given period;</p> <p>(j) Straight: A letter of credit that contains a limited engagement clause addressed to the beneficiary; state that the issuing bank promises to pay upon presentation of the required documents at its counters or the counters of the named bank;</p> <p>(k) Transferable: A letter of credit that allows the beneficiary to transfer in whole or in part any amount of the credit to one or more third parties provided that the aggregate of such transfers does not exceed the amount of the credit.</p> <p>(l) Unconfirmed: A letter of credit forwarded to the beneficiary by the advising bank without engagement on the part of the advising bank.</p>
Letter of Credit (L/C)	American term for documentary credit. In the United States, the terms D/C can often be confused for documentary collection.
Letter of Indemnity	Guarantee from shipper or consignee to indemnity carrier for costs and/or loss, if any, in order to obtain favorable action by carrier, e.g. sometimes, it is used to allow consignee to take delivery of goods without surrendering B/L which has been delayed
Lien	A legal claim upon goods for the satisfaction of some debt or duty.
Lift-On/Lift-Off (LO-LO)	A container ship onto which and from which containers are lifted by crane.
Line-haul	Transportation from one city to another as differentiated from local switching service.
Liner	Vessel plying a regular trade/defined route against a published sailing schedule.

Term	Description
Liner Terms	<p>They define the condition / responsibility of cost under which a carrier has had at port of loading to port of discharge. As such they also determine the freight / charges payable for loading & discharging the cargo from the vessel in their quotation, according to the customs of the port and it is not internationally codified. Carrier cost responsibility under respective Liner Terms:</p> <p>Liner In Liner Out (CY to CY) - Carrier bears the costs for loading at loading port, sea voyage up to cargo discharged at discharging port.</p> <p>Liner In Hook Out (CY to Hook) - Carrier bears the costs for loading at loading port, sea voyage up to cargo alongside cargo hook at discharging port.</p> <p>Hook In Liner Out (Hook to CY) - Carrier bears the costs for cargo alongside cargo hook at loading port, sea voyage up to cargo discharged at discharging port.</p> <p>Liner In Free Out (CY to Free Out, LIFO) - Carrier bears the costs for loading at loading port, sea voyage and exclude costs for cargo at discharging port.</p> <p>Free In Liner Out (Free in to CY, FILO) - Carrier bears the costs for sea voyage and costs for cargo discharged at discharging port.</p> <p>Hook to Hook - Carrier bears the costs for sea voyage and costs for cargo alongside at loading port & at discharging port.</p> <p>Hook to Free Out - Carrier bears the costs for cargo alongside cargo hook at loading port, sea voyage and exclude cost at discharging port.</p> <p>Free In to Hook - Carrier bears the costs for sea voyage and costs for cargo alongside cargo hook at discharging port.</p> <p>Free In Free Out (FIFO) - Carrier bears the costs for sea voyage and exclude costs at loading port & discharging port.</p>
Lloyds' Registry	An organization maintained for the surveying and classing of ships so that insurance underwriters and others may know the quality and condition of the vessels offered for insurance or employment.
Lo/Lo	Lift On, Lift Off.
Logistics	The management of moving or stationary inventory.
Long Ton	2,240 pounds. (l.t., l.tn.)
M/V	Motor Vessel
Manifest	Document that lists in detail all the bills of lading issued by a vessel or its agent or master, i.e., a detailed summary of the total cargo of a vessel. Used principally for customs purposes. It is also called summary of Bills of lading.
Marine Insurers	Provide specialist advice and cover for the most suitable form of insurance against exporting risks such as loss or damage in transit.
Marks & Nos.	Marks & Numbers placed on packages for export for identification purposes; generally a triangle, square, circle, diamond, or cross with letters and/or numbers and port discharge.
Maximum Payload	Maximum cargo that can be loaded into a container either by weight or volume.
Measurement Ton	1 cubic meter. One of the alternative bases of Freight Tariff.
Minimum Charge	The lowest charge that can be assessed to transport a shipment.
MQC	Minimum Quantity Commitment. Volume of cargo that a customer commits to ship over the duration of their contract (in TEU)
MT	(a) Metric Ton or Cubic meter (b) Empty container (c) Multimodal Transport.
N.O.S.	Not otherwise specified.
Negotiable B/L	Original bill of lading endorsed by shipper that is used for negotiating with banks.
Negotiating Bank	A bank named in the credit; examines the documents and certifies to the issuing bank that the terms are complied with.
Net Weight	Weight of the goods alone without any immediate wrappings, e.g., the weight of the contents of a tin can without the weight of the can. Also called actual net Weight.
Non-negotiable B/L	Copy of original bill of lading which cannot be negotiated with bank.
Non-vessel Owning / Operating Common Carrier (N.V.O.C.C.)	(a) A cargo consolidator of small shipments in ocean trade, generally soliciting business and arranging for or performing containerization functions at the port. (b) A carrier issuing Bs/L for carriage of goods on vessel which he neither owns nor operates.
NVOCC	See Non-vessel Owning/Operating Common Carrier or N.V.O.C.C.
OBL	See Original Bill of lading or O.B.L.

Term	Description
Ocean Bill of Lading (Ocean B/L)	Document indicating that the exporter will consign a shipment to an international carrier for transportation to a specified foreign market. Unlike an inland B/L, the ocean B/L also serves as a collection document. If it is a Straight B/L the foreign buyer can obtain the shipment from the carrier by simply showing proof of identity. If a negotiable B/L is used, the buyer must first pay for the goods, post a bond or meet other conditions agreeable to the seller.
Ocean Freight	See Freight.
On Board	Means that cargo has been loaded on board a combined transport mode of conveyance. Used to satisfy the requirements of a letter of credit, in the absence of an express requirement to the contrary.
On Board B/L	A B/L in which a carrier acknowledges that goods have been placed on board a certain vessel.
On Deck	A special stowage instruction to confine the cargo stowage must be on deck rather than under deck.
Open-Top Container	A container fitted with a solid removable roof or with a tarpaulin roof that can be loaded or unloaded from the top.
Order (To)	The phrase To Order is sometimes shown on Bills of Lading against consignee: this means that the Bill of Lading must be endorsed in blank by the shipper (i.e. not to any particular named party which makes it bearer document and it becomes transferable by delivery.)
Origin	Location where shipment begins its movement at cargo's expense.
Original Bill of Lading (O.B.L.)	A document which requires proper signatures for consummating carriage of contract.
Overheight Cargo	Cargo stowed in an open-top container; projects above the uppermost level of the roof struts.
Overwidth Cargo	A container with goods protruding beyond the sides of the container/flat rack onto which they are packed.
P.& I.	Protection and Indemnity, an insurance term.
P.O.D.	Port of Discharge where cargo is discharged from vessel. In case of transshipment is needed, there can be a number of POD during the course of shipment until it reaches the final POD.
P.O.L.	Port of Loading where loading to vessel takes place
P.O.R.	Point or Place of Receipt. Starting point of carrier's liability where cargo is received from shipper and under carrier's custody for transportation to final destination.
Partial Shipments	Under letters of credit, one or more shipments are allowed by the phrase "partial shipments permitted." In bulk shipments a tolerance of 3 percent is allowed.
Payload	The revenue-producing part of the cargo.
Per Diem	A charge made by one transportation line against another for the use of its equipment. The charge is based on a fixed rate per day.
Perils of the Sea	Those causes of loss for which the carrier is not legally liable. The elemental risks of ocean transport.
Perishable Cargo	Cargo subject to decay or deterioration.
Pier-to-House (P/H)	See CFS/CY.
Pier-to-Pier (P/P)	See CFS/CFS.
Pilferage	The act of stealing cargo.
Place of Delivery	See Final Destination.
Place of Receipt	Location where cargo enters the care and custody of carrier.
Port of arrival	Location where imported merchandise is off loaded from the importing aircraft or vessel.
Port of Discharge	Port where cargo is unloaded from vessel.
Port of Loading (POL)	Port where cargo is loaded to vessel.
Port Service Charge	See THC.
Prepaid (Ppd.)	One of the payment status where freight and charges are required to be paid by shipper before original bill of lading is released to them except for shipment under Sea Waybill (or Express BL) as no original bill of lading is required or for shipment under credit arrangement.
Presenting Bank	The bank that requests payment of a collection bill - may be the Collecting Bank or its nominated branch or local correspondent, which is better placed to contact the importer
Pro Rata	In proportion.
Procurement	All of the processes involved in requesting, ordering, auditing, and paying for goods and services
Pro-forma Invoice	A specimen invoice, requested by the buyer for the purpose of applying for such things as an import license, or foreign exchange allocation prior to the sale.

Term	Description
Promissory Note	A signed statement containing a written promise to pay a stated sum to specified person at a specified date or on demand.
Protest	(a) A legal means of proving presentation and default of a negotiable instrument, as well as providing notice to interested parties that the instrument was not paid. (b) A declaration made by the master of a vessel before a notary public in the United States and Great Britain or a tribunal of commerce on the European Continent, or before the consul of the country from which the vessel hails if in a foreign port, on arrival in port, when, through stress of weather, it has not been practicable to adopt ordinary precaution in the matter of ventilation for perishable cargoes; when the condition of the cargo or any part thereof at the time of shipment is such as to lead to the belief that damage or some further damage has occurred during the voyage; when any serious breach of a charter party by the charterer in a foreign port happens; when a vessel experiences bad weather while at sea and when the master has reason to believe that the cargo is damaged or part of the deck load lost overboard. Copies of the protest are frequently demanded underwriter in the event of a claim. Protest are received as evidence in tribunal on the Continent but they cannot be mad
PSA	Port of Singapore Authority
Quota	The quantity of goods that may be imported without restriction or additional duties or taxes.
Railhead	Rail terminal where containers are either loaded or discharged from train. (A railhead is a CY)
Ramp	Rail terminal where containers are either loaded or discharged from a train (A rail Ramp is a CY)
Receipt for shipment B/L	A term used in contradistinction to shipped bill of lading, which is the standard document. Some bankers object to to such bill of lading on the ground that the security they offer is imperfect. This kind of bill of lading is normally issued to acknowledge receipt of shipment before cargo loading or before official original bill of lading is issued. Nowadays, not many shippers ask for this kind of bill of lading.
Reconsignment (R/C)	Changing the consignee or destination on a bill of lading while shipment is still in transit. Diversion has substantially same meaning.
Reefer	In the industry, it is the generic name for a temperature controlled container. The containers, which are insulated, are specially designed to allow temperature controlled air circulated within the container. A refrigeration plant is built into the rear of the container. For OOCL's reefers, power for this plant needs to be provided from an external source.
Relay	To transfer goods from one ship to another of the same ownership.
Release note	Receipt signed by customer acknowledging delivery of goods.
Remitting Bank	The exporter's bank in collection transactions, which remits the bill to the collecting bank. The exporter's bank in DC transactions, which dispatches the documents to the issuing bank.
Revenue ton (R/T)	The greater weight or measurement of goods where 1 ton is either 1000 kilos or 1 cubic metre (for metric system). Also known as bill of lading ton or freight ton. It is used to calculate freight charge.
Roll-On/Roll-Off (Ro/Ro)	A specialised vessel designed with a ramp to facilitate driving on and off cargo.
Route (Rte.)	The manner in which a shipment moves, i.e., the carriers handling it and the points via which they handle it.
Salvage loss	A loss which it is presumed would, but for certain services rendered, have become a total loss. The charges incurred are "salvage charges". The property salvaged is the "salvage". When referring to goods a salvage loss is one resulting from shipwreck or from a situation where, by the peril of the sea, the vessel is prevented from proceeding on her voyage and the cargo, or the part that is saved is obliged to be sold at a place short of the port of destination. The term is used in marine insurance when at a point short of destination, it can be shown that it would cost more to forward damaged goods to their destination than the goods would realize on the spot. The underwriters usually pay the difference between the total insured value and the net proceeds of the goods, such a settlement being known as a "salvage loss".
Sea waybill	See "Express B/L"
Seal (Container)	Metal strip and lead fastener used for locking freight car or truck doors. Seals are numbered for record purposes.

Term	Description
Service contract	As provided in the Shipping Act of 1984, a contract between a shipper (or a shippers' association) and an ocean common carrier (or conference) in which the shipper makes a commitment to provide a certain minimum quantity of cargo or freight revenue over a fixed time period, and the ocean common carrier or conference commits to a certain rate or rate schedule as well as a defined service level (such as assured space, transit time, port rotation or similar service features). The contract may also specify provisions in the event of nonperformance on the part of either party.
Shipment Date	The date inserted on the bills of lading evidencing goods received on board is regarded for documentary credit purposes as being the date of shipment.
Shipped bill of lading	A bill of lading issued only after the goods have actually been shipped on board the vessel, as distinguished from the received for shipment bill of lading. Also see on board bill of lading.
Shipped on board	Endorsement on a bill of lading confirming loading of goods on vessel.
Shipper	The person for whom the owners of a ship agree to carry goods to a specified destination and at a specified price. Also called consignor. The conditions under which the transportation is effected are stipulated in the bill of lading.
Shipper owned container	The container used for cargo shipment is owned by shipper.
Shipper's Export Declaration	A custom house form filled by the shipper of goods. to foreign countries. Also called shipper's manifest. It mentions the marks, numbers, quantity, description and value of goods at time and place of export.
Shipper's Load & Count	Shipments loaded and sealed by shippers and not checked or verified by the carriers.
Shut-out	Goods not carried on intended vessel.
SI	Shipping Instruction.
Slot	Space on board a vessel occupied by a container.
Standard Industrial Classification (SIC)	A standard numerical code used by the U.S. government to classify products and services.
Standard International Trade Classification (SITC)	A standard numerical code used by the United Nations to classify commodities used in international trade.
Standard Rate	A rate established via direct routes from one point to another in relation which the rates via other routes between the same points are made. See also Differential Rate.
STC	Said to Contain. A standard clause used to protect carrier for cargo stuffed by shipper or its agents.
Stevedore	Terminal operator who is designated to facilitate the operation of loading and discharging vessels and various terminal activities.
Storage	A charge made on property stored.
Stowage	A marine term referring to loading freight into ships' holds.
Straight Bill of Lading	A term for a non negotiable bill of lading.
Stripping	The unloading of a container.
Stuffing	The loading of a container.
Supply Chain Management	The delivery of enhanced customer and economic value through synchronized management of the flow of physical goods, services and associated information from sourcing through consumption. The management of the process and activities to provide the flow of products, services and information to customers.
Tank Container	A specially constructed container for transporting liquids and gases in bulk.
Tare Weight	The weight of packing material or, in carload shipments, the weight of the empty freight car.
Tariff (Trf.)	A publication setting forth the charges, rates and rules of transportation companies.
Terminal	An assigned area in which containers are prepared for loading into a vessel or are stacked immediately after discharge from the vessel.
TEU	Twenty-foot Equivalent Unit (20") T.E.U.
THC	Terminal Handling Charge. A charge assessed by the terminal for handling FCLs at ocean terminals.
Through Rate	The total rate from the point of origin to final destination.
TOS	Terms of Sale. Commonly used as an abbreviation for INCOTERMS

Term	Description
Transferable Credit	Permits the beneficiary to transfer all or some of the rights and obligations under the credit to a second beneficiary or beneficiaries - see Special DCs.
Tranship	To transfer goods from one transportation line to another, or from one ship to another.
Transit Cargo	Goods onboard which upon their arrival at a certain port are not to be discharged at that port.
Transit Port	A port where goods received are merely en route and from which they have to be transferred and dispatched to their ultimate destination by coasters, barge and so on. Also called transshipment port.
Transshipment Port	See Transit port.
TRC	Terminal receiving Charge. Charge assessed by the terminal for cargo being delivered for export.
TVR	Time Volume Rate. A type of freight contract where the shipper commits to a specified volume of TEU over a specific period of time.
Twist Locks	A set of four twistable bayonet-type shear keys used as part of a spreader to pick up a container or as part of a chassis to secure the containers.
UCP	Uniform Customs and Practice of Documentary Credit. The "bankers Bible" on Documentary Credit Interpretation issued by the I.C.C.
UCP500	Revised and updated version operating from January 1, 1994.
Unit Load	Packages loaded on a pallet in a crate or any other way that enables them to be handled at one time as a unit.
Value for Duty	The value which is declared to the customs at the port of discharge for the purpose of assessing customs duty
Vanning	A term sometimes used for stowing cargo in a container.
Ventilated Container	A container designed with openings in the side and/or end walls to permit the ingress of outside air when the doors are closed.
Vessel's Manifest	Statement of a vessel's cargo (revenue, consignee, marks, etc.).
Voyage Number	The numeric identification of a round trip sailing of a vessel on a fixed trade lane.
Waybill (WB)	A document prepared by a transportation line at the point of a shipment; shows the point of the origin, destination, route, consignor, consignee, description of shipment and amount charged for the transportation service. A waybill is forwarded with the shipment or sent by mail to the agent at the transfer point or waybill destination. Abbreviation is WB. Unlike a bill of lading, a waybill is not a document of title.
Wharfage (Whfge.)	Charge assessed by a pier or dock owner against freight handled over the pier or dock or against a steamship company using the pier or dock.
World Trade Organization (WTO)	The international organisation dealing with the global rules of trade between nations. It was created, and replaced GATT. Its main function is to ensure that trade flows as smoothly, predictably and freely as possible