

FR8 : Terminology

Glossary Of Freight Logistics Terminology

Vanuatu shipping terminology follows standard international terminology.

Air Waybill (AWB) : Technically, an Air Waybill is a non-negotiable Bill of Lading and is used as a receipt for cargo and a contract for transportation between shipper and the air carrier. It specifies the terms under which the air carrier is agreeing to transport the goods and contains limitations of liability.

Bill of Lading: A contract between the owner of the goods and the carrier. A straight bill of lading is nonnegotiable. A negotiable or shipper's order bill of lading can be bought, sold, or traded while goods are in transit.

Bonded Warehouse: Goods that must be held until duties are paid are normally put in a bonded warehouse. Warehouses must be approved by the government of the country of importation and must be under bond or guarantee of compliance with revenue laws.

Break Bulk: The movement by ocean of packaged goods that are not containerised.

C/: Consignee (see below)

CAF: Currency Adjustment Factor.

CBM: Cubic Meter (35.314 cubic Feet = 1 CBM).

Certificate of Origin: A document that certifies the country where the product was made (i.e., its origin). A common export document, a Certificate of Origin is needed when exporting to many foreign markets. It may be required in order to obtain preferential tariff treatment under several Free Trade Agreements (i.e., NAFTA, APTA, DR_CAFTA, etc.)

C&F: Cost and Freight. The exporter pays the costs and freight necessary to get the goods to the named destination. The risk of loss or damage is assumed by the buyer once the goods are loaded at the port of embarkation.

CFS: Container Freight Station.

CFS/CFS: Container Freight Station to Container Freight Station. A type of steamship line service in which cargo is transported between container freight stations, where containers may be stuffed, stripped, or consolidated. Usually used for less-than-container load shipments.

CFT: Cubic Feet. Chargeable Weight: The shipment weight used in determining air freight charges. The chargeable weight may be the dimensional weight or for container shipments, the gross weight of the shipment less the tare weight of the container.

CIF: Cost, Insurance and Freight. The exporter pays the cost of goods, cargo and insurance plus all transportation charges to the named port of destination.

Commercial Invoice (CI): A document prepared by the exporter or freight forwarder, and required by the foreign buyer, to prove ownership and arrange for payment to the exporter. It should provide basic information about the transaction, including description of goods, address of shipper and seller as well as delivery and payment terms. In some cases, the Commercial Invoice is used to assess customs duties.

Commercial Value: Assessment of monetary value of manufactured goods including production costs, packaging, shipping, overhead and profit margin; used to determine duty.

Commodity: Any article or goods of commerce.

Consignee: The receiver of the shipment.

Cost and Freight (C&F): The exporter pays the costs and freight necessary to get the goods to the named destination. The risk of loss or damage is assumed by the buyer once the goods are loaded at the port of embarkation.

Cost, Insurance and Freight (CIF): The exporter pays the cost of goods, cargo and insurance plus all transportation charges to the named port of destination.

Country of Origin of Goods: Country of origin in which the goods have been produced or manufactured.

Country of Transshipment: The country through which a shipment must pass and be re-sorted to reach its ultimate destination.

Country of Ultimate Destination: Final country, as known by an exporter, where goods are scheduled to arrive. **Courier:** A term used to connote fast, expedited, personalized package and document handling.

CSC: Container Service Charge.

Customs: The government service that is responsible for the assessment of import and export duties and taxes and administration of other laws and regulations that apply to the importation, transit and exportation of goods. This term is also used when referring to any part of the customs service or its main or subsidiary offices. Customs is also a term used adjectivally in connection with customs officials, import or export duties control on goods, or any other matter within the purview of customs (customs officer, customs duties, customs office, customs declaration).

Customs Broker: A firm that represents importers in dealings with Customs. Normally responsible for obtaining and submitting all documents for clearing merchandise through Customs, arranging inland transport, and paying all charges related to these functions.

Customs Clearance: International procedure of declaring goods at the Customs Office to gain authorized entry of those goods into a country.

Customs Declaration: A document that traditionally accompanies exported goods bearing such information as the nature of the goods, their value, the recipient and their ultimate destination. Required for statistical purposes, it accompanies all controlled goods being exported under the appropriate permit.

Customs Invoice: A formal document used to clear goods through customs in the importing country by providing pertinent shipment information including but not limited to country of origin, description and value.

Customs Value: The value of a shipment as declared by the shipper or appraised by Customs to enable determination of accurate import duties.

C/Y: Container yard.

CY/CY: Container Yard to Container Yard. A type of steamship line service in which freight is transported from origin container yard to destination container yard.

Dangerous Goods: Articles or substances which are capable of posing a significant risk to health, safety or property when transported by air and which are classified according to subsections 3.1 through 2.10 in IATA. This includes cargo labeled as flammable, corrosive, radioactive, etc.

DDC: Destination Delivery Charge. **Declared Value:** The value of a shipment as declared by the shipper, used to determine the value for duty and carrier liability.

EDI: Within the context of freight and shipping, EDI is the electronic exchange of information between two trading partners, in a specific predetermined format. The trading partners would normally be other partner freight forwarders in other countries.

Export: A shipment transported out of a country.

Free on Board (FOB): The goods are placed on board the vessel by the seller at the port of shipment specified in the sales contract. The risk of loss or damage is transferred to the buyer when the goods pass the ship's rail.

Harmonized System Code (HS Code): A universally accepted classification system for trade goods, used to classify products and their corresponding tariff.

Import: A shipment brought in from a foreign country. **Pro Forma Invoice:** An invoice prepared by the exporter prior to shipping the goods, informing the buyer of the goods to be sent, their value and other key specifications.

SLI Form: Stands for Shipper's Letter Of Instruction. This form is an efficient and effective way for the exporter to convey specific instructions to his or her agent (usually the international freight forwarder). The SLI is also used to advise necessary details as to the nature of the goods, the number of packages, the inland movement to port of exit, whether pick up is required etc. This form also serves to communicate the necessary information to allow the international freight forwarder to prepare the required export documentation.

Tariff: A duty (or tax) levied on goods transported from one customs area to another. Tariffs raise the prices of imported goods, thus making them less competitive within the market of the importing country.

Value Added Tax (VAT): Assessed on the value added to goods and services. The value added tax is imposed in Vanuatu and throughout the European Community and European Free Trade Association (EFTA) countries and many other trading nations.