

# Glossary of terms and abbreviations

## NUMERICAL

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20'

Standard twenty-foot long shipping container.

40'

Standard forty-foot long shipping container.

20'HC

Twenty-foot high cube container.

40'HC

Forty-foot high cube container.

20'GOH

Twenty-foot Garments on Hanger container.

40'GOH

Forty-foot Garments on Hanger container.

20'RF

Twenty-foot reefer container.

40'RF

Forty-foot reefer container.

20'NOR

Twenty-foot non-operating reefer container.

## A

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ACA

Air Cargo Automation is an electronic reporting system set up by Australian Border Force to report on cargo prior to arrival in Australia.

**Ad Valorem**

"According to the value" or "on the value". Rates of duty expressed as a percentage of the value of goods are known as "ad valorem rates".

**Agent**

A person authorised to transact business for and in the name of another person or company.

**Allotment**

A term used to describe blocked space by airlines and shipping lines on behalf of forwarders/shippers.

**AWB**

Airway Bill – is a bill of lading which covers both domestic and international flights transporting goods to a specified destination. Technically it is a non-negotiable instrument of air transport which serves as a receipt for the shipper, indicating that the carrier has accepted the goods listed therein and obligates itself to carry the consignment to the airport of destination according to specified conditions.

**APCA**

Australian Port Charge Additional.

**AQIS**

Australian Quarantine Inspection Service. A government body protecting Australia from contaminated fauna and flora.

**Arbitrary**

An additional rate charged over an already fixed rate, when freight has to be moved by an additional source of transport from one point, to get to another point.

## B

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**BAF**

Bunker Adjustment Factor. Adjusts the freight to reflect current cost of bunkers (fuel for ships).

**BCN (FCX)**

Buyers Consolidation. Full container shipments from multiple suppliers for the one consignee.

## B/L, BOL

Bill of Lading – acts as a receipt for the cargo and contains the terms of the contract of carriage and is a document of title to the goods.

## Bonded Warehouse

A place of security approved by the custom authorities for the deposit, keeping and securing of goods liable to excise duty, without payment of this duty.

## Box

A colloquial name for a shipping container.

## Break Bulk (Sea freight)

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

## Break Bulk (Airfreight)

For consolidated air freight, it is moved under one MAWB and each consignment designated to specific consignee or recipient is under on HAWB. When the freight forwarder receives the consolidated cargo from the carrier they will break the consolation apart per HAWB then proceed with the customs clearance along with associated shipping and import documents.

# C

## CAF

Current adjustment factor – adjusts the freight to reflect currency exchange fluctuations.

## CABAF

Currency and Bunker adjustment factor, a combination of CAF and BAF.

## CAN

Customs Authority Number. Number provided by customs upon the clearance of export goods.

## Carnet

A customs document for permitting the holder

to carry or send merchandise temporarily into certain foreign countries for display, demonstration or other purposes without paying import duties or posting bonds.

## CBM

Cubic Metre – calculated as length x width x height.

## Certificate of Origin

A document certifying the country of origin of goods which is issued or signed by a chamber of commerce or embassy.

## CFR/C&F

Cost and freight. An Incoterm where the seller includes the cost of transportation in the price for his goods (freight prepaid). Formally known as C&F.

## CFS

Container Freight Station – a place for the packing and unpacking of LCL consignments.

## CHIEF

Customs handling of Import and Export Freight – a customs computer system.

## CIF

Cost, insurance and freight. An Incoterm where the seller arranges and pays for the main carriage to the port of destination and organises the insurance cover for the cargo while in transit.

## CMI

Comite Maritime International – an international committee of maritime lawyers.

## Commercial Invoice

Represents a complete record of a 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.

## COU

Clip on unit – a portable refrigeration unit.

## Consignment

Delivery or merchandise from an exporter (the consignor) to an agent (the consignee) under agreement that the agent sell the merchandise for the account of the exporter. The consignor retains title to the goods until sold. The consignee sells the goods for commission and remits the net proceeds to the consignor.

## Consolidation

In order to handle small lots of consignments efficiently and competitively, freight forwarders usually put many consignments into one lot then tender to carrier for forwarding. In this case, each consignment will be shipped with one house bill of lading respectively and all of them will be under one master bill of lading.

## CRN

Customs Register Number – is the number allocated by customs to an export, agent or freight forwarder for use when exporting goods on the same shipment from more than one shipper.

## CT

Combined Transport – carriage by more than one mode of transport under one contract of carriage.

## CY

Container Yard – a collection and distribution point for FCL Containers.

## Conference

An organisation of a group of shipping lines operating in one trade who have agreed to operate a common tariff.

## Consortium

A group of combined transport operators who agree to rationalise sailing in a trade and carry each other's cargo.

## Cut Off Date

The last date for which goods can be accepted for a nominated sailing.

## Consignee (CNEE)

The party, to whom a consignment is dispatched, having legal title to the goods.

## Consignor (CNOR)

The sender of the goods.

## Consignment Note

A document that describes a consignment moving from one point to another, also known as advice or dispatch note or connote.

## COD

Cash on Delivery – full payment for goods on delivery.

# D

## DAP

Delivered at Place – an Incoterm meaning that the seller is responsible for arranging carriage and for delivering the goods, ready for unloading from the arriving conveyance, at the named place. (An important difference from Delivered At Terminal DAT, where the seller is responsible for unloading.)

Risk transfers from seller to buyer when the goods are available for unloading; so unloading is at the buyer's risk.

The buyer is responsible for import clearance and any applicable local taxes or import duties.

## DAT

Delivered at Terminal – an Incoterm meaning that the seller is responsible for arranging carriage and delivering the goods, unloaded from the arriving conveyance, at the named place.

Risk transfers from seller to buyer when the goods have been unloaded.

The buyer is responsible for import clearance and any applicable local taxes or import duties.

## Demurrage

A charge raised for detaining cargo, containers or trailers for a longer period than provided for in the tariff.

## DDP

Delivery Duty Paid – an Incoterm meaning the seller fulfils his obligation to deliver when the goods have been made available at the named place in the country of importation. The seller has to bear the risks and costs, including duties, taxes and other charges of delivering the goods thereto, cleared for importation.

## Deconsolidation Point

Place where loose cargo is ungrouped for delivery.

## DO

A document given to the party surrendering the original Bill of Lading authorising them to take delivery of the goods.

## Documentary Credit

The basis of international trade by means of which payment is made against surrender of specified documents.

## Duty

Is a particular percentage (depending on commodity) of the FOB value which is paid to the government. The FOB value is the cost of the goods plus any other charges to get those goods onto a vessel.

## DOT

Department of Trade – governmental department with responsibility for shipping and trade.

## Drawback

Repayment of a duty upon re-exportation of goods previously imported.

# E

## EHA

Equipment Handover Agreement – acknowledging the condition of the carrier's equipment when taking over and returning it, incorporating contractual terms under which the equipment is taken over.

## ETA

Estimated Time of Arrival – indicates the estimation of the date/hour the carrier believes the cargo, vessel or container will arrive at a nominated point/port.

## ETD

Estimated Time of Departure – indicates the estimation of the date/hour the carrier believes the cargo, vessel or container will leave a nominated point/port.

## Ex-Works (EXW)

An Incoterm when the seller's only responsibility is to make the goods available at their premises for pickup.

# F

## FAS

Free alongside Ship – an Incoterm that means the seller fulfils his obligation to deliver when he has handed over the goods, cleared for export, into the charge of the carrier named by the buyer at the named place or point.

## FAK

Freight All Kinds – refers to the full container loads of mixed shipments for different consignees.

## FCL

Full Container Load – an arrangement whereby the shipper utilises all the space in a container.

## FCX (BCN)

Full container shipments from multiple suppliers for the one consignee.

## Feeder Vessel

A short-sea vessel used to fetch and carry goods and containers to and from deep-sea ports/vessels.

## FIS

Free into Store – An unofficial term that means the seller is responsible for all costs: CIF/C&F plus duty, landing costs and all transport charges delivered into buyer's store.

## Flat Rack

Container bottom specifically for heavy lifts and over width cargoes.

## FMC

Federal Maritime Commission – US Federal Authority governing sea transport.

## FOB

Free on Board – An Incoterm where the seller is responsible for all costs up to loading the ship at named port.

## Freight

The amount of money payable for the carriage of goods.

# G

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## GATT

General Agreements on Tariffs and Trade – an international multilateral agreement embodying a code of practice for fair-trading in international commerce with headquarters in Geneva.

## GRP

Groupage – refers to the full container loads of mixed shipments for different consignees.

## GOH

Garments On Hanger container used to transport garments and other hanging product. Available in 20' and 40' sizes.

## Groupage

Consolidation of several LCL Consignments into a container for different consignees.

## GP

General Purpose – a closed steel container for the carriage of all types of general. 20' and 40' available in GP.

## GST

Goods and Service Tax – worked out as 10% of the CIF Value + the duty amount. The CIF value is the cost of goods + marine insurance + freight amount (cost to get cargo to destination port) + duty.

# H

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## Harmonised System

The Harmonised Commodity Description and Coding System (or Harmonised System, HS) is a system for classifying goods in international trade, developed under the auspices of the Customs Cooperation Council.

## Hazchem Code

Hazardous chemical code placed on tankers carrying dangerous chemicals.

## HC – Hi-Cube

Is a container which is higher than a general purpose container – available in both 20' and 40' sizes and is most common on the Australian Coastal and Australia-New Zealand Trade Lanes.

## HBL – House Bill of Lading

Issued by a freight forwarder or consolidator covering a single shipment containing the names, addresses and specific description of the goods shipped.

## HAWB – House Airway Bill

Issued by a freight forwarder – although similar to a Bill of Lading it does not confer title in goods and therefore does not have the same legal standing as Bill of Lading.

## IATA

International Air Transport Association (IATA) established in 1945 is a trade association serving airlines, passengers, shippers, travel agents and governments. The association promotes safety standardization in forms (baggage checks, tickets, weigh bills) and aids in establishing international airfares.

## IMDG Code

International Maritime Dangerous Goods Code – contains the IMO Recommendations for the carriage of dangerous goods by sea. The form needed for export of this sort of cargo is known as an MO41 and is available from a freight forwarder. Paperwork for imported dangerous goods comes from the supplier.

## IMO

International Maritime Organisation – a UN body charges with the duty of making safety and anti-pollution conventions and recommendations concerning sea transport.

## Import Certificate

The import certificate is a means by which the government of the country of ultimate destination exercises legal control over the internal channeling of the commodities covered by the import certificate.

## Import License

A document required and issued by some national governments authorising the importation of goods. Also referred as an import permit. With such documentation, customs clearance can be conducted.

## Incoterms

A list of standard terms stated by the ICC for all foreign trade contracts, which lists the respective responsibilities of the buyer and seller.

## Intermodal

Movement of goods by more than one mode of transport; i.e. aeroplane, truck, railroad and ship.

## Insulated Container

Specifically for cargoes requiring transport at a constant temperature above or below freezing point. This is controlled by the ship's or terminal's cooling plant or a clip-on reefer unit.

## ICC

International Chamber of Commerce.

## ISO

International Standards Organisation – a body responsible for setting standards for container construction.

## ITF/IDF

Air cargo charges – International Terminal Fee, International Documentation Fee.

## L

### Letter of Credit (L/C)

Letter of Credit – a document in which the terms of documentary credit transactions are set out.

### LD3

Lower deck type airline container. This is the most commonly used container in passenger aircraft.

### Letter of Indemnity (L/I)

Letter of Indemnity – sometimes also called a letter of guarantee. If an original bill of lading has become lost or delayed it allows the consignee to take delivery of their goods.



## Liner

A vessel plying a regular pattern of trade on a defined route under a published sailing schedule.

## Lower Deck

The compartment below the main deck of an aircraft.

## LO/LO

Lift On/Lift Off – a wharf or cartage operator charge for lifting of containers on and off a vessel or vehicle.

## LCL

Less than Container Load – when a parcel is too small to fill a container, it is grouped by the carrier at a CFS depot with other compatible cargo for the same destination.

# M

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## MAWB

Master Airway Bill – is the Airway Bill issued by the airline or principle carrier.

## MBL

Master Bill of Lading is the Bill of Lading issued by the shipping line or principle carrier.

## MMO

Multi Modal Operator.

## Manifest

List of goods on a vessel or aircraft.

# N

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## Non Conference

A shipping line which does not participate in a consortium with other lines for tariff agreement.

## NVOCC

Non Vessel Operating Common Carrier – a carrier issuing bills of lading for carriage of goods on a vessel which they neither own nor operate.

## Notify Party

The party to whom the cargo arrival notice is sent.

## NOR

Non-operating reefer container.

# O

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## OBL

Ocean Bill of Lading issued by the shipping line/ owners.

## O/H

Over Height – a container with cargo exceeding the height of the container.

## O/S

Open Sided – A container with open sides for over width cargo.

## O/T

Open Top – A container with open top loading facility, suitable for the carriage of heavy, over height cargos. Can be equipped with tarpaulin roof.

## OOG

Out of gauge – goods whose dimensions exceed those of the container in which they are packed.

## O/W

Over Width – a container with goods protruding beyond the sides of the container/flat rack onto which they are packed.



## P

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### Packing List

Document required by the buyer and Customs, indicating content being shipped, or contents of each packed.

### Packing Declaration

Document required by AQIS which states how the shipment as been packed with regards to straw, timber, and bark. The packing declaration must be completed in full, including a numerical link to the shipment (e.g. Container number, bill number).

### POA

Place of Acceptance – the place where the goods are received for shipment of transit and where the carriers liability commences.

### POD

Definition 1 – Place of Discharge. The place where the goods are discharged and carrier's liability ends.

Definition 2 – Proof of Delivery. A signed receipt acknowledging delivery.

### POL

Port of Loading – the port at which accepted cargo is loaded onto a vessel.

### Principle Carrier

The carrier who issues the Bill of Lading regardless of whether or not the goods are carried on their own, a third party's or a consortium member's vessel.

### PSC

Port Service Charge. Cost of loading, unloading FCL consignments at the terminal.

## R

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### RO/RO

Roll on/Roll Off – A vessel onto which goods can be driven via a ramp.

### Routing Order

A document given to a supplier for instruction as to which freight forwarding company will be handling the details of the shipment.

### Reefer

A refrigerated container used for cargo requiring temperature control.

## S

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### SCA

Sea Cargo Automation is an electronic reporting system set up by Australian Border Force to report on cargo prior to arrival in Australia.

### SOB

Shipped on Board – an endorsement on the Bill of Lading confirming that the goods have been loaded on board.

### Shipper

The person who tenders the goods for carriage.

### Shipping Mark

The letters, numbers or other symbols placed on the outside of cargo to facilitate identification.

### Short Shipped

Goods not carried on the intended vessel.

### SLI

Shippers Letter of Instruction – Forwarding Instructions completed by shippers to freight forwarders instructing them on the completion of HAWB or HBL.

## Slot

The space on board a vessel occupied by a container.

## T

### TACT

The Air Cargo Tariff. Published by IAP (International Airlines Publications) and IATA. Outlines general airfreight information, acceptance of carriage, transportation charges, services and related charges, payment of rates and charges and various other items. Airfreight hazardous cargo will always travel on the "TACT" rate.

### Time Slot

The time booked to deliver a container or collect a container from the wharf.

### TEU

Twenty foot Equivalent Unit (20').

### THC

Terminal Handling Charge – A charge for handling containers at ocean terminal/wharves. Also charge for handling LCL cargo at deconsolidation depots.

### Tare Weight

The actual weight of the empty container, not including the goods.

### Tariff

The terms, condition and scale of charges for carriage.

### Transship

When cargo is discharged from one ship and loaded onto another in order to reach a port of no direct service or as a cheaper alternative to the direct service.

## U

### ULD

Unit load device which links directly with the airplane cargo handling and restraint system.

## V

### Vent

Container which contains ventilation sites to prevent condensation accumulating on cargo.

## W

### Waybill

A Bill of Lading that acts as a receipt for the goods and evidence of the contract for carriage. A waybill is a bill of lading that can be defined as follows: a receipt for goods, is evidence of the contract; is a non-negotiable document.

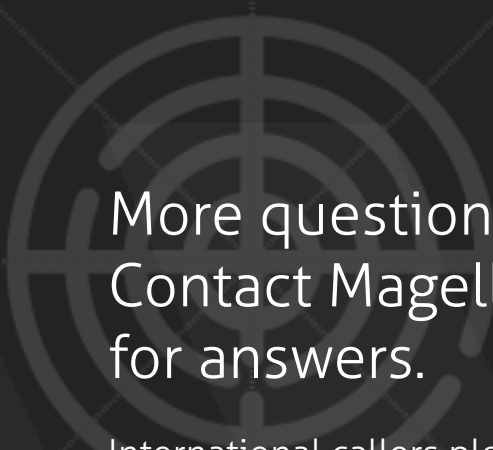
Under a waybill, delivery will be effected to a nominated consignee upon proof of identity. As a title it presents a personal contract between the shipper and the carrier only. There is (at present) no mandatory law or convention and the parties have absolute freedom of contract

### W/M

Weight Measure. The freight rate based on the weight of volume of the cargo. The rate uses the comparative relationship between weight and volume of cargo.

### Wharfage

A charge assessed by a pier or dock owner for handling incoming or outgoing cargo.



More questions?  
Contact Magellan Logistics  
for answers.

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