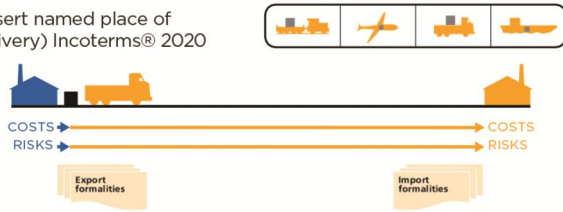


### RULES FOR ANY MODE OR MODES OF TRANSPORT

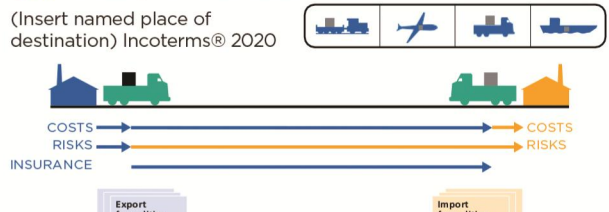
#### EXW Ex Works

(Insert named place of delivery) Incoterms<sup>®</sup> 2020



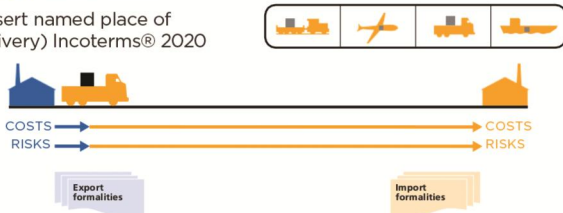
#### CIP Carriage and Insurance Paid To

(Insert named place of destination) Incoterms<sup>®</sup> 2020



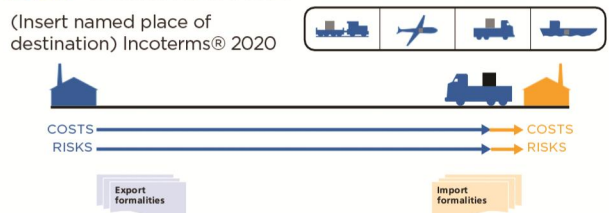
#### FCA Free Carrier

(Insert named place of delivery) Incoterms<sup>®</sup> 2020



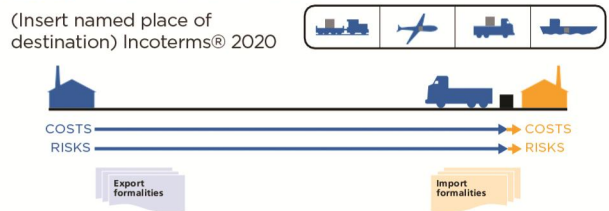
#### DAP Delivered at Place

(Insert named place of destination) Incoterms<sup>®</sup> 2020



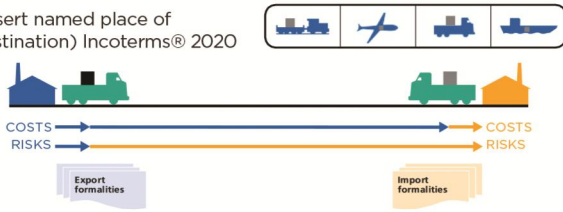
#### DPU Delivered at Place Unloaded

(Insert named place of destination) Incoterms<sup>®</sup> 2020



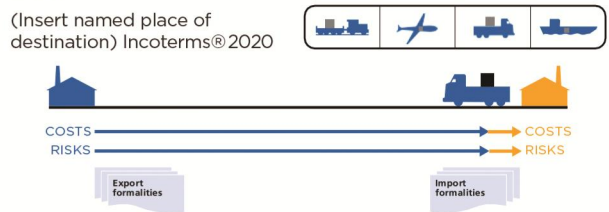
#### CPT Carriage Paid To

(Insert named place of destination) Incoterms<sup>®</sup> 2020



#### DDP Delivered Duty Paid

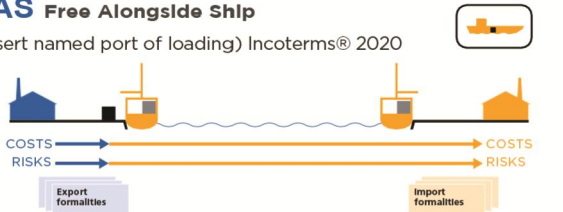
(Insert named place of destination) Incoterms<sup>®</sup> 2020



### RULES FOR SEA AND INLAND WATERWAY TRANSPORT

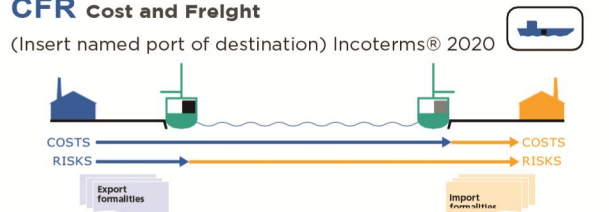
#### FAS Free Alongside Ship

(Insert named port of loading) Incoterms<sup>®</sup> 2020



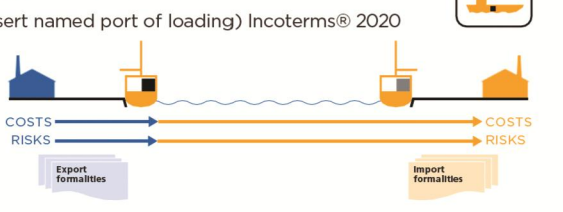
#### CFR Cost and Freight

(Insert named port of destination) Incoterms<sup>®</sup> 2020



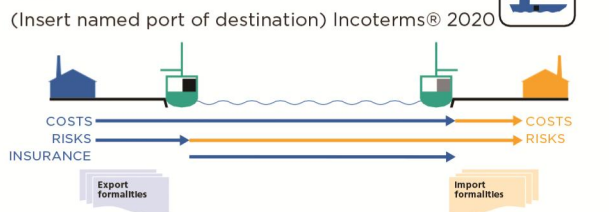
#### FOB Free on Board

(Insert named port of loading) Incoterms<sup>®</sup> 2020



#### CIF Cost, Insurance and Freight

(Insert named port of destination) Incoterms<sup>®</sup> 2020



# GLOSSARY OF TERMS AND ABBREVIATIONS

**COGSA** Carriage of Goods by Sea Act – In the U.K. the 1971 version incorporating the Hague-Visby Rules.

**COT** Customer's Own Transport – i.e. the customer collects the cargo from or delivery it to the CFS/CY.

**COU** Clip On Unit – A portable refrigeration unit.

**CPT** Carriage Paid To – A new combined transport incoterm replacing CFR where CT is involved but applicable to all modes of transport, it used to be DCP. Particularly appropriate for combined transport.

**CRN** Custom Register Number – Replaced CAN (Custom Assigned Number) in October 1981. It is the number allocated by the C&E (see above) to an exporter or agent or freight forwarder for use when exports are to be entered under the SCP (see hereunder).

**CSC** Container Safety Convention.

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

**CTD** Combined Transport Document – The CTO (see below) bill of lading.

**CTO** Combined Transport Operator – A Carrier who contracts as a principal to perform a CT (see above) operation.

**CY** Container Yard – Collection and distribution point for FCL (see below) containers.

**Certificate of Origin** A document certifying the country of origin of goods which is normally issued or signed by a Chamber of Commerce or Embassy.

**Cellular** A term used to describe the hold configuration of purpose built container ships equipped with cell guides into which the containers fit.

**Closing Date** Last date for which goods can be accepted for a nominated sailing.

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

**Consortium** A group of CTO who agree to rationalise sailings in a trade and carry each others cargo.

**DEPS** Departmental Entry Processing System – The current computerized customs entry processing system to be replaced by CHIEF (see above).

**DNG** Dangerous Goods Note.

**DOT** Department Of Trade – Governmental department with responsibilities for shipping and trade.

**Delivery Order** A document authorizing delivery to a nominated party of goods in the care of a third party. This document can be issued by a carrier on surrender of the original bill of lading and then used by the merchant to transfer title by endorsement.

**Demurrage** A charge raised for detaining a vessel, cargo or FCL or carrier's containers and/or trailers for a longer period than provided for in the tariff or contract.

**Depot** A CFS (see above).

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

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

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

**ECE** Economic Commission for Europe – A UN economic body.

**EDI** Electronic Data Interchange – The transfer of structured data from one computer system to another.

**EDIFACT EDI** For Administration, Commerce and Transport – An organization responsible to UN ECE for the development of standard EDI messages for Administration, Commerce and Transport.

**EDISHIP** An organization for exchanging data between carriers and merchants by electronic means.

**EDP** Electronic Data Processing – Computer processing of data.

**EFTA** European Free Trade Association.

**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.

**ESG** European National Shippers Council.

**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.

**ETC** Electronic Data Credits – An idea being developed by the EDI Banking Interest Section to facilitate an EDI alternative to documentary credits.

**ETD** Estimated Time of Departure – (see ETA).

**FAK** Freight All Kinds – A system whereby freight is charged per container, irrespective of nature of goods and not according to tariff.

**FCL** Full Container Load – An arrangement whereby the shipper utilises all the space in a container which he packs himself. "FCL door (or house)/LCL depot" would describe a movement where a haulier, who was the sub-contractor of the carrier, took an empty container to a shipper's premises for packing by the shipper and then to haul the loaded container back to the container yard. At the importing end, the loaded container would then be unpacked at the CTO's depot by the sub-contractor of the carrier, who would effect delivery to the consignee's premises. "FCL port (or pier)/FCL depot" is when the carrier receives from the shipper at the vessel's side a container packed by the shipper and delivers same to the consignee at the importing depot for the consignee to take it to this premises for unpacking and subsequent return of the empty container to carrier's depot.

**FFI** For Further Instruction – Used in the "delivery" box of a bill of lading when final destination is still uncertain at time of shipment/booking.

**FMC** Federal Maritime Commission – US Federal Authority governing sea transport.

**FOB** Free On Board – A conventional port-to-port INCOTERM term of sale (see above).

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

**Freight** The amount of money payable for the carriage of goods. Sometimes erroneously used to describe the goods which are more correctly described as "cargo" in marine transportation.

**Freight Ton** The weight/volume on which freight is charged.

**GA** General Average.

**GATT** General Agreement on Tariffs and Trade – An international multilateral agreement embodying a code of practice for fair trading in international commerce with headquarters in Geneva.

**GCA** Gold Clause Agreement – An agreement relating to the interpretation of GOGSA 1924 and the Hague Rules between certain insurers, cargo interest and British shipowners, agreed in 1950 but abandoned on the 31st May 1988.

**Groupage** Consolidation of several LCL consignments into a container.

**H/L** Heavy Lift.

**Hague Rules** – The 1924 International Convention on Carriage of Goods by Sea.

**Hague-Visby Rules** – The 1968 Revision of the Hague-Rules.

**Hamburg Rules** – The 1978 UNCTAD revision of the Hague-Rules.

**House or Door** – A movement starting or finishing at the customer's premises. Thus "House/House" or "Door/Door" starts at the shippers premises and ends at the consignee's premises.

**IMDG** Code International Maritime Dangerous Goods Code – Contains the IMO recommendations for the carriage of dangerous goods by sea.

**IMO** International Maritime Organization – A UN body charged with the duty of making safety and anti-pollution conventions and recommendations concerning sea transport.

**ISO** International Standards Organization – A body responsible for, inter alia, setting standards for container construction.

**INCOTERMS** International Rules for the Interpretation of Trade Terms – At current comprising 11 terms (listed above) for foreign trade contracts compiled by ICC.

# GLOSSARY OF TERMS AND ABBREVIATIONS

## Ex-Works

The shipment arrangement allows the seller to deliver (without loading) the goods at the disposal of the buyer at the seller's premises. It places minimum obligation on the seller with greater responsibility on the buyer. In an Ex-Works transaction, goods are basically made available for pickup at the shipper/seller's works factory or warehouse and "delivery" is accomplished when the merchandise is released to the consignee's freight forwarder for insurance, exports clearance and handling all other paperwork.

## FOB (Free On Board)

The shipper/seller used his freight forwarder to move the merchandise to the port or designated point of origin. FOB specifically refers to ocean or inland waterway transportation of goods. Risk passes to buyer, including payment of all transportation and insurance costs, once delivered on board the ship by the seller. Delivery is accomplished at this time. A further step than FAS.

## FCA (Free Carrier)

The seller is responsible for arranging the transportation and possibly also for clearing the goods for export but the seller is acting at the risk and expense of the buyer. Where in FOB the freight forwarder or carrier is the choice of the buyer, in FCA the seller chooses and works with the freight forwarder or carrier. "Delivery" is accomplished at a predetermined port for destination point and the buyer is responsible for insurance cover.

## FAS (Free Alongside Ship)

Risk passes to the buyer, including payment of all transportation and insurance costs, once delivered alongside the ship (realistically at named port terminal) by the seller. FAS require the shipper/seller to clear goods for export. Companies selling on these terms will ordinarily use their freight forwarder to clear the goods for export. "Delivery" is accomplished when the goods are turned over to the buyer's forwarder for insurance and transportation.

## CFR (Cost and Freight)

Formerly known as CNF (C&F) defines two distinct and separate responsibilities. One is dealing with the actual cost of the merchandise "C" and the other "F" refers to the freight charges to a predetermined destination point. It is the shipper/seller's responsibility to get goods from their door to the port of destination. "Delivery" is accomplished at this time. Risk passes to the buyer once the goods are on board the vessel for insurance cover from the port of origin of shipment to the buyer's door. Given that the shipper is responsible for transportation, the shipper also usually chooses the forwarder.

## CIF (Cost, Insurance and Freight)

This arrangement is similar to CFR, but instead of the buyer insuring the goods for the maritime phase of the voyage, the shipper/seller does so. In this arrangement, the seller usually chooses the forwarder. "Delivery" is accomplished at the port of destination.

## CPT (Carriage Paid To)

In CPT transactions, the shipper/seller has the same obligations found in CIF where the seller has to buy cargo insurance cover naming the buyer as the insured while the goods are in transit.

## CIP (Carriage and Insurance Paid To)

This term is primarily used for multimodal transport. Because it relies on the carrier's insurance, the shipper/seller is only required to purchase minimum insurance cover. When required by the buyer, the seller shall provide additional insurance cover at the buyer's expense. When this agreement is in force, freight forwarders often act in effect as carriers.

## DAF (Delivered At Place)

The goods are considered to be delivered once it is placed at the disposal of the buyer on the arriving means of transport ready for unloading at the destination. The seller bears all risks involved in bringing the goods to the buyer's named place. Seller clears goods for export, not import DAF replaces DAF, DDU.

## DDP (Delivered Duty Paid)

DDP terms end to be used in intermodal or courier-type shipments whereby the shipper/seller is responsible for dealing with all tasks involved in moving the goods from the manufacturing plant to the buyer/consignee's door. Seller/shipper is responsible for import clearance, duties and taxes so buyer is not "importer on record". Buyer is responsible for unloading.

## DPU (Delivered At place Unloaded)

The seller delivers goods (unloaded) from the delivering ship or other mode of transport and places same at the disposal of the buyer at the nominated terminal or place of destination such as a quay, warehouse or container yard. The seller bears all risks involved in the bringing of the goods and unloading them at the terminal. Demurrage or detention charges may apply to the seller. Seller clears goods for export, not import.

## ABBREVIATIONS

**ANF** Arrival Notification Form – Advice to the consignee of goods coming forward.

**ATA Carnet** Admission Temporaire. (Temporary Admission) – An ATA Carnet makes the customs clearance of certain temporary importation and exportation easier.

**Athens Convention** International Convention governing carrier's liability for passengers and their luggage.

**Ad Valorem** ("at value") – An ad valorem freight rate is one where the freight is based on the value of the goods. An ad valorem bill of lading is one where the value of the goods is shown on the face of the document, which value then becomes the carrier's limit of liability, in return for this increased liability the carrier will charge an addition to the sea freight.

**BAF** Bunker Adjustment Factor – Freight adjustment factor to reflect current cost of bunkers.

**BIMCO** Baltic and International Maritime Council – A Copenhagen based organization to which many shipowners and brokers belong and that represents their interest and assists by preparing standard charterparties and other shipping documents and provides other advisory services.

**B/L** 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.

**B/L Ton** Bill of Lading Ton – The greater weight or measurement of goods where 1 ton is either 1000 kilogramme or 1 cubic metre, also called Freight Ton.

**Blue Book** Sets out regulations for the carriage of dangerous goods in ships, as required by the Department of Trade for dangerous goods aboard ships in British ports. It largely refers to the IMDG Code (see below).

**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 container.

**Boxtime** A standard BIMCO time charter for container ships.

**Break Bulk Cargo** Goods shipped loose in the vessel's hold and not in containers.

**CABAF** Currency and bunker adjustment factor, a combination of CAF and BAF.

**CAF** Currency Adjustment Factor – Adjusts the freight to reflect currency exchange fluctuations.

**C/B** Container Base – One of a group of container freight stations.

**C&D** Collect and Delivery – Carriage from/to customer's premises to/from.

**CFS** (see here under).

**C&E** Customer and Excise.

**C&F** Cost and Freight – A conventional port-to-port INCOTERM of sales more correctly known as CFR (see above).

**CFR** Cost and Freight – (see above).

**CFS** Container Freight Station – A place for the packing and unpacking of LCL consignment. Sometimes known as C/B in the U.K.; Depots in other parts of the world; and ICD in the U.K. and the Indian Subcontinent.

**CHIEF** Customs Handling of Import and Exports Freight – A customs computer system developed to replace DEPS (see here under).

**CIF** Cost Insurance and Freight – (see above).

**CIM** Convention International concernant le transport des Marchandises par chemin de fer – International Convention on the carriage of goods by rail.

**CIP** (see here under Incoterms).

**COMI** Comité Maritime International – An international committee of maritime lawyers.

**CMR** Convention relative au contrat de transport international des Marchandises par Route – International Convention on the Carriage of goods by road.

# GLOSSARY OF TERMS AND ABBREVIATIONS

**Inherence Vice** Those properties of certain goods which lead to their arrival in damaged condition without accident or negligence, for example unprotected steel will "weather", bales of rubber stick together, copra is almost invariably infested by copra bugs.

**L/C** Letter of Credit – A document in which the terms of documentary credit transactions are set out.

**LCL** Less than Container Load – When a parcel is too small to fill a container which is grouped by the carrier at a CFS with other compatible goods for the same destination. "LCL door/LCL depot" is effected when the carrier collects the cargo from the shipper, takes it to this depot for groupage and delivers to the consignee at the import depot.

**L/I** Letter of Indemnity – Sometimes also called a letter of guarantee, it allows the consignee to take delivery of his goods without the surrendering of the original bill of lading which has been delayed or become lost.

**LLMC** International Convention on Limitation of Liability for Maritime Claims – A 1976 limitation convention enacted in the UK by the Merchant Shipping Act 1979.

**LO-LO** Lift On Lift Off – A containership onto which and from which containers are lifted by crane (as opposed to RO-RO).

**Liner** A vessel plying a regular pattern or a trade on a defined route under a published sailing schedule.

**Liner-Terms** Freight payable which includes the cost of loading and unloading.

**MMO** Multi Modal Operator.

**Manifest** List of goods or passengers on a vessel.

**Measurement Ton** 1 cubic metre – One of the alternative bases of a freight tariff.

**M/R** Mate's Receipt – A receipt given to the party that delivers the cargo to the ship. The M/R states quantity and condition of the cargo and where it was stowed.

**NVOC(C)** Non Vessel Operating (Common) Carrier – A carrier issuing bills of lading for carriage of goods on vessel which he neither owns nor operates.

**Notify Party** The party to whom the ANF (see above) is sent.

**NYPE** The New York Produce Exchange charterparty – The most commonly used form of hire contract for vessel.

**O/H** Overheight – A container with goods protruding above the top of the corner posts.

**OOG** Out of Gauge – Goods whose dimensions exceed those of the container in which they are packed.

**O/W** Overwidth – A container with goods protruding beyond the sides of the container/flat rack onto which they are packed.

**P&I Club** Protection and Indemnity Association – The carrier's mutual liability insurer.

**POA** Place Of Acceptance – The place where the goods are received for shipment or transit and where the carrier's liability commences. Now more usually called POR (see below).

**POD** Place Of Delivery – The place where the goods are delivered and carrier's liability ends. It can mean Proof of Delivery and then it means a signed receipt acknowledging delivery.

**Poincare Franc** A fictitious gold franc – Originally used amongst other things to assess the carrier's liability in an inflation proofed manner under the Hague-Visby Rules, now replaced by the SDR (see hereunder).

**Port or Pier** A movement starting or finishing at the vessel's side, as in the time of breakbulk cargoes, so that the inland movement prior and subsequent to sea carriage is effected by the merchant. It is possible to encounter movements involving more than one of these mentioned. Thus "door(or house)/depot" would describe a movement starting at the shipper's premises and ending at the CFS. Once the details in respect of LCL or FCL are added to the bill of lading a full picture of the type of movement contemplated by the shippers is possible.

**Principal Carrier** The carrier who issues the CTD, regardless of whether or not the goods are carried on his own, a third party's or a consortium member's vessel.

**RN** Release Note – A receipt signed by the customer with the acknowledgement of delivery of this goods.

**RO-RO** A ferry type vessel, onto which goods and containers can be driven usually via a ramp.

**Reefer** A refrigerated vessel or container.

**SDR** Special Drawing Rights – Means of basket of currencies designed to "iron out" currency exchange fluctuations in international valuations, now used to express the limitation under the Hague-Visby Rules and the MSA Limitation Convention.

**SOB** Shipped On Board – An endorsement on the "received for shipment" bill of lading confirming that the goods have been loaded on board.

**Shipper** The person who tenders the goods for the carriage, not to be confused with the party issuing the bill of lading or the vessel's operator who is the carrier.

**Shut-out** Goods not carried on the intended vessel.

**Slot** The space on board a vessel occupied by a container.

**Straight bill of lading** A peculiar American term for a negotiable bill of lading, like a "Waybill", governed by the US Pommerene Act.

**Stuffing/Stripping** The action performed when packing or unpacking a container.

**TEU** Twenty-Foot Equivalent Unit – i.e. 1x20ft = 1TEU. 1x40ft = 2TEU.

**THC** Terminal Handling Charge – A charge for handling container at the ocean terminals.

**TIR** Transport International Routiers – A system involving the issue of a carnet to road hauliers which allows loaded vehicles to cross national frontiers with minimum customs formalities.

**TTD** – The TTD is a contract of carriage involving more than one carrier. The carrier who issues the TTD acts as the principal only during the carriage on his own vessel and as agent at all other times. Therefore, the liabilities and responsibilities are spread over several carriers and the merchant is in contract with different carriers under different and most probably unknown conditions at different stages of the carriage.

**TTO** Through Transport Operator – A carrier who contracts to carry goods (only part of the carriage he undertakes to perform himself) on the basis that he is the principal whilst the goods are in this custody and care and an agent only whilst they are not.

**Tariff** The terms and conditions and scale of charges. In the US trade the tariff must be notified in advance to the FMC (see above).

**Terminal** The port or depot at which containers are loaded or unloaded onto or from container vessels, railways or trucks.

**UCP** Uniform Customs and Practice of Documentary Credits – The banker's "bible" on documentary credit interpretation issued by the ICC.

**UNCITRAL** United Nations Commission on International Trade Law.

**UNCON** Uncontainerable Goods – See as well Breakbulk, goods which because of their dimension cannot be containerised and which are therefore carried "Breakbulk".

**UNCTAD** United Nations Conference on Trade and Development.

**UNCTAD MMO** UNCTAD Multi Modal Transport Convention.

**Vienna Convention** A 1980 United Nations Convention on Contracts for the International Sale of Goods which came into force on 1st January 1988.

**Waybill** A bill of lading that acts as receipt for the goods and evidence of the contract of carriage. A waybill is a bill of lading that is not a document and can thus be defined as follows:

- A waybill is a receipt for goods;
- A waybill is evidence of the contract;
- A waybill 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.