

# Glossary of Terms and Abbreviations

## General Shipping References - Incoterms® 2020

Incoterms® is an acronym for "international commercial terms", and are a set of internationally listed by the International Chamber of Commerce (ICC). These terms or rules are widely used in international sale contracts and commercial transactions. The Incoterms® rules provide universal guidance to parties involved in international transportation or sale of goods, and creates uniformity and predictability in global trade, regarding the duties and responsibilities of each party, costs and transfer of risks and insurance. The first version was introduced and published by the ICC in 1936 and as at the date of printing, the latest version of the rules is the Incoterms® 2020® consisting of 11 terms.

SERVICES	EXW	FCA	FAS	FOB	CFR	CIF	CPT	CIP	DAP	DPU	DDP
	Ex Works	Free Carrier	Free Alongside Ship	Free Onboard Vessel	Cost & Freight	Cost Insurance & Freight	Carriage Paid To	Carriage Insurance Paid To	Delivered At Place	Delivered at Place Unloaded	Delivered Duty Paid
Packing	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Loading Charges	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Inland Freight	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Terminal Charges	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Insurance	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller
Loading On Vessel	Buyer	Buyer	Buyer	Buyer	Buyer	Seller *	Buyer	Seller **	Seller	Seller	Seller
Freight	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Arrival Charges	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Duty & Taxes	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller
Delivered To Destination	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller
Seller *											
Minimum Insurance Clause 'C'											
Seller **											
Maximum Insurance Clause 'A'											

**INCOTERMS®** is a registered trademark of the ICC, forming a set of universally recognisable standard trade definitions and rules for buyers and sellers involved in international sale transactions. The purpose of these rules is to facilitate international trade, by defining and allocating the roles, responsibilities and obligations of the buyer and seller engaged in international trade, in relation to the risks, costs and delivery of these goods.

**INCOTERMS®** as rules are accepted and recognised by governments, legal authorities, and practitioners globally for the interpretation of most commonly used trading terms in international trade. These standard international trade terms reflect international best trading practices and custom, and are frequently incorporated into international sales contracts in order to ensure that duties, obligations or responsibilities contained in an international sale contract are not mis-interpreted and are commonly understood by each party.

However, importantly it must be noted that the **INCOTERMS®** themselves do not have any legal status nor govern or dictate the *legal transfer of ownership* or title to the goods, nor do they govern payment terms or credit terms, or rights and liabilities for breach of contract in the sale contract. Rather the rules aim to clearly communicate and define the point of transfer of costs, risks and duties or responsibilities for the delivery of the goods from the seller to the buyer.

**INCOTERMS®** therefore regulate the method of delivery and the allocation of costs and risks between the seller and buyer, by stipulating: which party receives the documents of the goods; which party pays possible customs costs; who is responsible for creating or issuing transport documents and their costs; and which party must insure and check or pack the goods.

Parties must always be aware when the risk of loss or damage to the goods passes to the buyer and which party is responsible for purchasing and arranging cargo insurance at any given stage, since it is not always the seller's responsibility up to final delivery.

Under the prior version of the rules, **INCOTERMS 2000®**, (before **INCOTERMS®** 2010), the rules were divided into four groups as follows:

### GROUP "C" terms (CFR, CIF, CPT, CIP):

The Seller arranges and pays for the carriage of the goods, but the Buyer is responsible for providing insurance (except for CIF/CIP) and assumes the risks associated with the transport of the cargo. The letter "C" or the word "COST" under this group, indicates that the Seller is still responsible for certain costs, even after the Buyer has assumed the risk of the goods at a certain point.

### GROUP "D" terms (DAF, DES, DEQ, DDU, DDP):

The Seller assumes the maximum costs, obligations and risks associated with

bringing the goods to its place of final destination (except costs related to import customs clearance and un-loading at the final destination). The letter "D" means "DELIVERY" under this group of terms, and concerns the question of which party is responsible for paying the various costs after the arrival of the goods at the Port of Discharge.

### GROUP "E" terms (EXW)

EXW is the only incoterm® in this category. Under this group, the Seller assumes the least risk, and is only responsible for making the goods available at its premises for the Buyer's collection.

### GROUP "F" terms (FCA, FAS, FOB):

The Seller, at its own cost, is responsible to deliver the goods to a carrier (by sea, road, air or rail) nominated by the Buyer. The letter "F" or the word "FREE" is used under this group of terms, to signify that the Seller is obliged to hand over the goods *free of risk and expense* to the Buyer's nominated carrier, after which point the Buyer assumes the risk and responsibility.

However, under the latest **INCOTERMS® 2010**, they consist of 11 pre-defined terms and are only subdivided into two categories based on the *method of delivery*. Namely, a category of rules for sea/inland waterway transport only (FAS, FOB, CFR, CIF), and a category of rules for any other mode(s) of transportation (EXW, FCA, CPT, CIP, DAT, DAP, DDP).

These 11 terms are explained in more detail as follows:

#### EXW (Ex-Works)

The Seller "delivers" (without loading) the goods at the disposal of the Buyer at the Seller's premises. In other words, the Seller makes the goods available to be collected at the Seller's or manufacturer's premises (or at another named place). It's commonly used when making an initial quotation for the sale of goods without any other costs included. ALL costs, risk and expenses related to the transport and carriage of the goods (including the loading on a truck, freight, handling and insurance costs and Customs formalities) are for the Buyer's account. This term places the maximum obligation on the Buyer and minimum obligations on the Seller.

#### FOB (Free On Board)

The Seller at its own cost, risk and expense (up to the point the goods pass the ship's rail), delivers the goods on board the ship chosen by the Buyer, and is also responsible for completing export documentation and clearing the goods for export. Risk passes the Buyer (including sea transportation costs, insurance, unloading at Port of Discharge and associated costs), once the goods pass over the ship's rail. This term is a step further than FAS, and is specifically used for ocean or inland waterway carriage of goods.



### **FCA (Free Carrier)**

The Seller is only responsible for delivering the goods, usually cleared for export, to the Carrier at a named terminal or any other named place (including the Seller's own premises), or to another party nominated by the Buyer (such as a freight forwarder). The point or physical address within the named place of delivery, must be specified, as the costs (including sea transportation costs, insurance, unloading at Port of Discharge and associated costs) and risks of loss of or damage to the goods passes to the Buyer from that moment onwards. If delivery occurs at the Seller's premises, or at any other location that is under the Seller's control, the Seller is responsible for loading the goods onto the Buyer's carrier. However, if delivery occurs at any other named place, the Seller is deemed to have delivered the goods once their transport has arrived at the named place; the Buyer is responsible for both unloading the goods and loading them onto their own carrier. This term may be used irrespective of the mode of transport selected, and may also be used where more than one mode of transport is employed.

### **FAS (Free Alongside Ship)**

The Seller "delivers" the goods, when they are placed alongside the vessel (e.g. on a quay or a barge) nominated by the Buyer at the named Port of shipment. The Seller is also usually responsible for clearing the goods for export, and the Buyer bears all costs and risks of loss of or damage to the goods the moment after they have been delivered alongside the vessel. For containerised goods, it is typical for the seller to deliver the goods to the carrier at a terminal or container yard, and not alongside the vessel, and in such situations the FCA rule would be a more appropriate term to use. This rule is used only for sea or inland waterway transport, and is commonly employed in the shipping of commodities or bulk cargo (ie. non-containerised cargo.)

### **CFR (Cost and Freight)**

Formerly known as "CNF" or "C&F", the Seller pays for the carriage of the goods up to the named port of destination. The risk of loss of and damage to the goods passes to the Buyer, when the goods are on board the vessel. The Seller is responsible for origin costs (including export clearance and freight costs for carriage to the named Port of destination), but the Buyer is responsible for buying insurance. The term CIF should be considered, if the Buyer requires the Seller to obtain insurance. This rule has two critical points (or two separate/distinct responsibilities), because risk passes and costs are transferred at different points. While the contract will always specify a destination port, it might not specify the port of shipment, which is where the risk passes to the Buyer. If the shipment port is of particular interest to the Buyer, the parties are well advised to identify it as precisely as possible in the contract.

### **CIF (Cost, Insurance and Freight)**

This arrangement is similar to CFR, but the major difference between CFR and

CIF is the minimum insurance clause as an obligation of the seller. Risk transfers from seller to buyer when the goods are delivered to the buyer by placing them on board the vessel at the shipment port. CIF requires the seller to clear the goods for export, but the seller has no obligation to clear the goods for import or for transit through third countries. The seller must make a contract of carriage that covers the sea voyage to the destination port.

### **CPT (Carriage Paid To)**

Carriage Paid To means that the seller delivers the goods and transfers the risk to the buyer, by handing them over to the carrier. In CPT, two locations are important, the place at which the goods are delivered and the place or point agreed as the destination of the goods.

### **CIP (Carriage Insurance Paid To)**

This term is primarily used for multimodal transport. The buyer should note that under the CIP Incoterms 2020 rule the seller is required to obtain extensive insurance cover. The parties are also well advised to identify as precisely as possible in the contract of sale the point within the agreed place of destination, as this is the point to which the seller must contract for carriage and insurance and this is the point to which the costs of carriage and insurance are borne by the seller.

### **DAP (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. DAP replaces DAF, DDU.

### **DPU (Delivery at Place Unloaded)**

The seller bears all risks involved in bringing the goods to and unloading them at the named place of destination and transfers risk to the buyer when the goods are unloaded from the arriving means of transport at the agreed place. DPU is the only Incoterms rule that requires the seller to unload the goods at destination. Under DPU the seller must perform export clearance, whilst the buyer must organise import clearance. Should the parties intend the seller not to bear the risk and cost of unloading, the DPU rule should be avoided and DAP should be used instead.

### **DDP (Delivered Duty Paid)**

DDP terms tend 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/co-signee's door. Seller/shipper is responsible for import clearance, duties and taxes so buyer is not "importer on record". Buyer is responsible for unloading.

## **Abbreviations**

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

**ATACarnet** Admission Temporaire, (Temporary Admission) - An ATACarnet 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.

**CDS** Customs Declaration Services is a computerised Customs entry processing system to clear import and export declarations in the U.K. - This will eventually replace the current CHIEF system (see below).

**C&D** Collect and delivery - carriage from/to customer's premises to/from.

**CFS** (see here under).

**C&E** Customs and Excise.

**C&F** Cost and Freight - a conventional port-to-port INCOTERM® of sale, more correctly known as **CFR** (see below).

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

**CFS** Container Freight Station - a place for the packing and unpacking of LCL consignments. 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 Export Freight - a computerised Customs entry processing system used to clear import and export declarations in the U.K. This will be replaced by CDS (Customs Declaration Services - see above).

**CIF** Cost, Insurance and Freight - (see above).

**CIM** Convention International concernant le transport des Marchandise par chemin de fer - International Convention on the Carriage of Goods by Rail.

**CIP** See above under Incoterms.

**COMI** Comité Maritime International - an international committee of maritime lawyers.

**CMR** Convention relative au contrat de transport international des Marchandise par Route - International Convention on the Carriage of Goods by Road.

**COGSA** Carriage of Goods by Sea Act - in the U.K. the 1924 version incorporating the Hague-Visby Rules.



**COT** Customer's Own Transport - i.e. the customer collects the cargo from or delivers 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.

**DGN** 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 or specified documents.

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

**ECE** Economic Commission for Europe - a UN economic body.

**ECU** European Currency Unit - a financial unit used for **EEC** accounting.

**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 organisation for exchanging data between carriers and merchants by electronic means.

**EDP** Electronic Data Processing - computer processing of data.

**EEC** European Economic Community - the European Common Market.

**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.

**ESC** 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 his premises for unpacking and subsequent return of the empty container to the 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 **COGSA** 1924 and the Hague Rules between certain insurers, cargo interests 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 Organisation - a UN body charged with the duty of making safety and anti-pollution conventions and recommendations concerning sea transport.

**ISO** International Standards Organisation - 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.

**Inherent 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 comparable goods for the same destination. "LCL door/LCL depot" is effected when the carrier collects the cargo from the shipper, takes it to his depot for groupage and delivers to consignee at the import depot.

**LI** 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 RoRo).

**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 vessels 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 vessels.

**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 times of break bulk 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 his 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 a 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.

**Solas Convention** The International Convention for the Safety of Life at Sea - an international maritime treaty requiring member countries to ensure that ships registered in their country, comply with minimum safety standards in construction, equipment and operation. In November 2014, the International Maritime Organization (IMO) adopted a resolution amending the SOLAS Convention, introducing mandatory container weight verification, which came into effect on 1 July 2016. The amendment applies to all member countries who are required to, in turn, adopt it into their own national law. Each country will provide its own guidelines and rules for its implementation (see VGM below).

**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 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 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 his 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** The Uniform Customs and Practice of Documentary Credits - a set of rules on documentary credit interpretation issued by the ICC and used by bankers. The latest version is the UCP600, which came into effect on 1st July 2007. It is not law, but rather a set of international rules and standard banking practice on the interpretation, issuance and handling of letters of credit in international trade finance transactions.

**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.

**VGM** Verified Gross Mass - from 1st July 2016, Shippers will be required to provide the VGM of each shipment to their ocean carrier and the terminal operator. It remains the Shippers responsibility to obtain and provide the VGM in accordance with local government guidelines and before the carrier's cut off. Ocean carriers are not permitted to load a container and its cargo without a VGM.

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

**Waybill** A bill on 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.

**WSC** The World Shipping Council - an international organisation of global shipping companies representing the international liner shipping industry. The WSC takes an active role in formulating and influencing policy and regulatory issues affecting the liner shipping industry generally, and has been granted "Consultative Status" to the International Maritime Organisation (IMO), where it participates in and supports the IMO's development and oversight of safety, security, environmental, and other maritime regulatory matters. MSC is a member of the WSC.

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