**GUIDE TO SHIPPING TERMS**

Shipping Terms are used across the industry but can be confusing if you are new to shipping.

When importing and exporting goods you will see and hear the following terms used. If you are unsure about anything you hear or read, please let us know and we can explain. Below are some of the more commonly used phrases and terms.

**A**  
**Airwaybill**  
Document raised for each airfreight shipment, outlining all the shipments details. An “Airwaybill Number” is issued which enables your shipment to be identified with the carrier, allowing track-ability during transit.  
**ATR1**  
Preference document used in trade between EU members and Turkey, to benefit from cheaper rates of duty  
**Anti Dumping Laws**  
In tariff dictated by government to protect domestic business from below market pricing from overseas. Duties are imposed by the HMRC.

**B**  
**B/L (Bill of Lading)**  
Document raised for each seafreight shipment, this gives the shipment’s details, along with a ‘Bill of Lading number’, this enables your shipment to be identified with the carrier, allowing track-ability during transit.  
**BIP (Border Inspection Post)**  
Control post operated by the Port Health Authorities.  
**BAF (Bunker Adjustment Factor)**  
The BAF is one of the charges levied on goods transported via sea freight. This charge represents the the fluctuating costs to the shipping. For example the varying global oil prices.

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**C**  
**CAF (Currency Adjustment Factor)**  
Charge levied during shipping covering the changes to the different currency exchange rates.

**Carnet**

Used when goods arrive in a country where temporary ‘customs/duty’ admission will be claimed. E.g. Items used in exhibitions or competitions etc. There is always a charge for this, and it must be arranged in advance of travel.

**CFR (Cost & Freight)**  
The price invoiced or quoted by a seller for a shipment does not include insurance charges, but includes all expenses up to a named port of destination. In comparison, carriage paid to (CPT) terms include all transport charges (but not insurance) up to a named place (usually the buyer’s warehouse) of destination.  
**CHIEF (Customs Handling of Import and Export Freight**  
HM Revenue & Customs Computer System  
**CIF (Cost Insurance & Freight)**  
The price invoiced or quoted by a seller for a shipment does not include insurance charges, but includes all expenses up to a named port of destination. In comparison, carriage paid to (CPT) terms include all transport charges (but not insurance) up to a named place (usually the buyer’s warehouse) of destination.  
**CIP (Carriage & Insurance Paid To)**  
Term of sale signifying that the price invoiced or quoted by a seller includes all costs up to a named port-of-destination.  
**CPT (Carriage Paid To)**  
The price invoiced or quoted by a seller does not include insurance cost, but includes all other charges up to a named place of destination (usually the buyer’s warehouse).  
**C of O (Certificate of Origin)**  
Stamped official document declaring the country of origin, often required for textile products.  
**Custom Cleared**  
Term commonly used where cargo has been declared to Customs and all Excise Duty and VAT has been paid and goods are then free from Customs control.  
**D**  
**DAT (Delivered at Terminal)**  
Definition: This term means that the seller covers all the costs of transport (export fees, carriage, insurance, and destination port charges) and assumes all risk until after the goods are unloaded at the terminal.  
**DAP (Delivered at Place)**  
Definition: This term means that the seller pays all the costs of transportation (export fees, carriage, insurance, and destination port charges) up to and including the delivery of the goods to the final destination. The buyer is responsible to pay only the import duty/taxes/customs costs. The buyer also is responsible to unload the goods from the vehicle at the final destination  
**DDP (Delivered Duty Paid)**  
This term means that the seller assumes all the risks and costs of transport (export fees, carriage, insurance, and destination port charges, delivery to the final destination) and pays any import customs/duty.The buyer has only to unload the goods at the final destination.  
**Deferment Account**  
Bank account held with Customs to pay Duty and/or VAT. This can be held by a company (DAN – Deferment Account Number) or you agree terms with your Import Agent.  
**Demurrage**  
The use of a container beyond the time allowed by a Shipping Line.  
**Devan (Devanning, Devanned, Deconsolidation)**  
Unloading of cargo from a Sea Freight Container  
**DG Cert (Dangerous Goods Certificate)**  
Certificate that must accompany hazardous cargo during transit.  
**D.O. (Delivery Order)**  
Document issued by the Carrier / Agent authorising them to collect the cargo. Issued after B/L is surrendered to the Carrier / Agent.  
**Dry Ports / ICD Inland Container Depot**  
Warehouse where goods are moved to an approved Customs warehouse for Clearance. Generally further from the Port and usually called Dry Ports.

**E**  
**End-Use**  
Exemption from duty and/or VAT on aircraft or ships spares in transit  
**ERTS (Enhanced Remote Transit Shed)**  
An approved (by Customs) warehouse where goods can be held as Uncleared.  
**EORI Number**  
Unique number throughout the EU given to business or individuals as their unique identifier when dealing with customs declarations.  
**EUR1**  
A form entitling originating UK or EU goods to lower or zero import duties.  
**Express Release Bill**  
Where a Shipping Line to not require the surrender of an original Bill of Lading to release the goods to Consignee as per their freight manifest.  
**EXW (Ex Works)**  
A trade term requiring the seller to deliver goods at his or her own place of business. All other transportation costs and risks are assumed by the buyer.

**F**  
**FAS (Free Alongside Ship)**  
Term of sale signifying that the price invoiced or quoted by a seller includes all charges only up to the ship at the port of departure. The buyer is responsible for loading and all subsequent charges.  
**FCA (Free Carrier)**  
A trade term requiring the seller to deliver goods to a named airport, terminal, or other place where the carrier operates. Costs for transportation and risk of loss transfer to the buyer after delivery to the carrier.  
**FCL (Full Container Load)**  
Sea freight container. Typically 20 or 40ft units.  
**FOB (Free On Board)**  
Term of sale under which the price invoiced or quoted by a seller includes all charges up to placing the goods on board a ship at the port of departure specified by the buyer. Also called collect freight, freight collect, or freight forward.  
Used in shipping to indicate that there is no charge to the buyer for goods placed on board a carrier at the point of shipment. Typically followed by the name of a port or city  
**Fumigation**  
Where a container is filled with gas/pesticides to to kill vermin, insects or other infestations.  
**Free Circulation Goods**  
Goods where the Import Duty, VAT and any Excise Duties have been paid and are no longer under Customs control.

**G  
Groupage**A mixed container packed with different importers goods is known as a groupage container. **GSP (Generalised System of Preferences)**Document relating to trade agreement giving preferential rates of duty to developing countries. **General Cargo**Non containerised cargo – loose loaded to vessels, this can be on a pallet or something that is too be for a container.

**H**  
**Haulage**  
Inland delivery  
**Haulier**  
Person/Company making the Inland delivery of freight or containerised freight.  
**Hi-Ab**  
Lorry / Truck with a small crane attached.  
**House Airwaybill (HAWB)**  
Transit document issued by a freight forwarder for use in consolidated air freight shipments.  
**HS Code (Harmonised Code)**  
Classification / Commodity Code.

**I**  
**ICD (Inland Clearance Depot)**  
Warehouse where goods are moved to an approved Customs warehouse for Clearance. Generally further from the Port and usually called Dry Ports.  
**Incoterms® (International Commerce Terms)**  
The Incoterms® rules are an internationally recognised standard and are used worldwide in international and domestic contracts for the sale of goods. First published in 1936, Incoterms® rules provide internationally accepted definitions and rules of interpretation for most common commercial terms.  
**IPR (Inward Processing Relief)**  
Goods being imported temporarily for a process.

**L**  
**LCL (Less than Container Load)**  
A Shipment in a shared container that is the opposite of FCL.  
**LO-LO (Load-On, Load-Off)**  
A Charge for loading and unloading a container and onto a trailer / lorry for delivery.

**M**  
**Master Airwaybill**  
Transit Document issued by an airline for airfreight.  
**Moffitt Truck**  
Lorry with fork-lift attached.

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**N**  
**NCTS (The New Computerised Transit System)**  
A computer system developed to enable traders to submit Community / Common transit declarations electronically.  
**NES Clearance (New Export System)**  
H M Customs computer system allowing for the electronic processing of Export declarations.  
**NIRU (National Import Relief Unit)**  
Temporary Import Unit of HM Revenue & Customs

**O**  
**OPR (Outward Processing Relief)**  
Goods being exported temporarily as part of a process.  
**Original Bill of Lading**  
Where a Shipping Line requires the surrender of an original of the Bill of Lading to release the goods to the Authorised party mentioned on the Bill of Lading.  
**Overlanded**  
Goods arrived unexpectedly (un-manifested)

**P**  
**Port Health**  
Port Health Authorities and Local Authorities have a number of different port health functions which together protect the Public. Environmental and Animal Health of the UK. These functions include ensuring infectious disease does not spread from vessels, enforcing controls on imported food and sampling shellfish beds for contamination.

**Q**  
**Quota**  
The Import Quotas system allows the import of limited amounts of goods at a rate of duty lower than would otherwise apply. Quotas apply to certain goods from particular countries – so they are very specific.

**R**  
**REDS (Registered Excise Dealers and Shippers)**  
REDS are traders who have been approved by HMRC to receive duty-suspended excise goods from other EU member states.  
**Release (Commercial Release)**  
Instructions usually a fax or email, stating that all monies have been paid and the goods are Customs cleared, therefore the warehouse operator can release the cleared goods to an authorised collecting party.  
**Restitution**  
Return of a container to Port (or other designated locations as specified by the leasing shipping line)  
**RO-RO (Roll on – Roll off)**  
Non-containerised cargo. For example. A Car or Bus.  
**RPA (Rural Payments Agency)**  
From the Import licensing branch (www.berr.gov.uk) the RPA (Rural Payments Agency) issues import licenses for agricultural, horticultural products and certain items of food and drink.

**S**  
**Sea Waybill**  
When a Shipping Line does not require the surrender of an original of the Bill of Lading to release the goods to a Consignee as part of their Freight Manifest.  
**Short-Shipped**  
When the goods do not arrive as expected because they were not loaded onto the vessel, Container or Flight.  
**Shunt**  
Short movement of containers usually from Port into a Warehouse within the dockyard.

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**T**  
**T1 / TAD (Transit Accompanying Document)**  
Community Transit Status Document accompanying uncleared goods during transit from one authorised ocation to another. These are generated in the NCTS System.  
**Tremcard (Travel Emergency Card)**   
Document identifying Hazards, Instructions on how to handle and also actions to be taken when transporting hazardous cargo in the event of an accident.  
**Turn Number**  
Expired term – Now use EORI

**U**  
**UCN (Unique Consignment Number)**  
A generated number which identifies your shipment with Customs, Freight Carrier and Port / Airport.

**V**  
**VAT (Value Added Tax)**  
UK Tax which applies to most goods imported into the UK – There are some exemptions and reliefs – check here  
**VBS (Vehicle Booking System)**  
System in place at many UK Ports meaning vehicles must be booked in prior to delivery / collection of Containers.

**W**  
**Wet Bond**  
A Bonded Warehouse which is authorised to store Alcohol (and other excisable goods) which are in EC free circulation.