

Glossary of Terms

- **Ad Valorem**
 - In proportion to the value. Any charge, tax, or duty that is applied as a percentage of value.

- **Air Waybill (airbill)**
 - A shipping document used by the airlines that cover both domestic and international flights transporting good 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.

- **Alongside**
 - A phrase referring to the side of a ship. Goods to be delivered “alongside” are to be placed on the dock or lighter within reach of the transport ship’s tackle so that they can be loaded aboard the ship.

- **Assist**
 - An item supplied directly or indirectly, free of charge or at a reduced cost by the buyer to the seller. This item is for use in connection with the production of the item for export to the US.

- **At Sight**
 - A phrase indicating that payment on a draft or other negotiable instrument is due upon presentation or demand.

- **Automated Export System (AES)**
 - An automated link between the exporter / freight forwarder and US Customs to file the proper Shipper’s Export Declaration that is required prior to export.

- **Barter**
 - Trade in which merchandise is exchanged directly for other merchandise without the use of money. Barter is an important means of trade with countries using currency that is not readily convertible.

- **Bill of Lading (B/L)**
 - A document that establishes the terms of a contract between a shipper and a transportation company under which freight is to be moved between specified points for a specified charge. Usually prepared by the shipper on forms issued by the carrier, it serves as a document of title, a contract of carriage, and a receipt for goods. There are four types of bill of ladings: originals, express, receipt for shipment and on board rail.

- **Binding Rule**

- A document, based on the rules governing classification, obtained by Customs which states the specific Harmonized Tariff Schedule number to be used for classification.
- Bond- Continuous
 - Issued in multiples of \$10,000 nearest 10% of the duties, fees and taxes paid by the importer of record for the previous year. If this exceeds one million, multiples of \$100,000 are used.
- Bond- Single Entry
 - Total entered value of merchandise plus all duties, fees and taxes. If subject to Other Government Agencies, quota or quota / visa, the bond is three times the total entered value of the merchandise.
- Bond- Surety
 - A guarantee or other security that protects a person, corporation or other legal entity in case of another's default in the payment of a given obligation, improper performance of contract, etc. The one who undertakes the surety (the surety company or bond issuer) is primarily liable in case of default. For Customs purposes, importers have a surety company issue a bond to US Customs as a guarantee that duties, fees and taxes are paid properly and timely.
- Bonded Warehouse
 - A warehouse authorized by customs authorities for storage of goods on which payment of duties is deferred until the goods are removed.
- Booking
 - An agreement with a steamship company or airfreight carrier for the acceptance and carriage of freight.
- Boycott
 - A refusal to deal commercially or otherwise with a person, firm or country.
- Cargo Aircraft Only
 - Planes that are equipped to solely transport cargo.
- Carnet
 - A customs document permitting the holder to carry or send merchandise temporarily into certain foreign countries (for display, demonstration, or similar purposes) without paying duties or posting bonds.
- Carriage

- The part of the transportation service represented by the actual movement of goods to a point of destination after having been loaded but before being unloaded.
- Carrier
 - Individual, partnership or corporation engaged in the business of transporting goods or passengers with specific fees.
- Certificate of Analysis
 - A certificate issued by the supplier that specifies and quantifies the components of a product; customarily required for chemical products.
- Certificate of Origin (USA)
 - A certificate notarized and chamberized by a local Chamber of Commerce certifying that the goods covered in the shipment are of USA origin.
- Classification
 - Determination of the appropriate Harmonized Tariff Schedule numerical code to identify the proper rate of duty and all statistical data for every product imported into and exported from the United States.
- Code of Federal Regulations (CFR)
 - A list of regulations that are issued by all branches of the US Government. Many different CFR are used in the export process, from transporting goods to selling goods overseas. Prior to exportation you should be aware of the regulations that you will operate under.
- Commerce Control List (CCL)
 - This list will categorize all products and goods that are controlled by the Department of Commerce. This number will be obtained from the manufacturer / producer of the product. Also known as the Export Commerce Control Number (ECCN).
- Commercial Invoice
 - A document identifying the seller and buyer of goods or services, identifying numbers such as invoice number, date, shipping date, mode of transport, delivery and payment terms, and a complete listing and description of the goods or services being sold including prices, discounts and quantities. A commercial invoice is often used by governments to determine the true value of goods for the assessment of customs duties and also to prepare consular documentation.
- Common Carrier
 - A carrier that by law must convey passengers or goods without refusal, provided that the party requesting conveyance has paid the charge for transport.
- Conference

- A group of ocean freight carriers banding together, voluntarily, for the purpose of limiting and regulating competition among themselves. It may establish uniform tariff freight charges and terms and conditions of service. Conference establishment in the United States requires Federal Maritime Commission (FMC) approval. Conferences in the United States are exempt from antitrust regulations.
- Consignment
 - Shipment of one or more pieces of property, accepted by a carrier for one shipper at one time, receipted for in one lot, and moving on one bill of lading.
- Consolidated Shipment
 - “Less than Container Load” (LCL) or “Less than Truckload” (LTL) shipments of cargo from a number of shippers at a centrally located point of origin by a freight consolidator, and transporting them as a single shipment to a destination point; often results in reduced shipping rates.
- Consul
 - A government official residing in a foreign country charged with representing the interests of his / her country and its nationals.
- Consular Documents
 - Special forms signed by the consul of a country to which cargo is destined.
- Consular Invoice
 - A document, required by some countries, that describes a shipment of goods and show the consignor, consignee and the value of the shipment. Certified by a consular official of the going country, it is used by the countries' customs officials to verify the value, quantity and nature of the shipment.
- Contract (Private) Carrier
 - A carrier that transports only those passengers and / or goods that it selects.
- Countervailing duties
 - Special duties imposed on imports to offset the benefits of subsidies to producers or exporters in the exporting country.
- Country of Origin
 - Country where goods were manufactured or produced.
- Customhouse Broker
 - An individual or company licensed to enter and clear goods through Customs.
- Customs
 - The authorities designated to collect duties levied by a country on imports and exports.

- Customs Bonded CFS (Container Freight Station)
 - Containerized cargo moved from either a place of unloading or after transportation in bond, but prior to the filing of an entry or the permitting, for the purposes of breaking bulk and redelivery of the cargo. Goods remaining in a CFS greater than 15 days are subject to General Order.
- Customs Entry
 - This is a declaration to customs, either electronically or via hard copy documents, of the exact details pertaining to the consignment. This includes a complete description of the goods, value and country of origin.
- Damage Claim
 - Demand upon carrier for reimbursement for damage to shipment or because shipment was not delivered within reasonable time.
- Dangerous Goods
 - Articles and substances that are capable of posing a significant risk to health, safety or property. They can be carried by air when the risk they pose is reduced to an acceptable level by limiting the quantity per package, and by packing in such a manner that the package will not fail during normal transit.
- Defense Article
 - Any item or related technical data that is modified for a military application and does not have performance equivalent (defined by form, fit and function) to those of an article or service used for civil applications.
- Delivery Order
 - A document prepared to indicate delivery instructions for inland (usually local) movement of goods after Customs clearance. Goods move on this document as domestic cargo.
- Demurrage
 - Storage charges levied against the account of cargo when it has been left at a pier or terminal beyond a specified time period.
- Denied Persons List (DPL)
 - A list of individuals and corporations throughout the world that have been denied export privileges by the US Government. Any exports of goods or services are forbidden to be sold to any party that appears on the list. All exporters and freight forwarders should check this list prior to exportation.
- Destination Control Statement

- Any of various statements which the US Government requires to be displayed on export shipments and which specify the destinations for which export of the shipment has been authorized.
- Devaluation
 - The official lowering of the value of one country's currency in terms of one or more foreign countries. For example, if the US dollar is devalued in relation to the French franc, one dollar will "buy" fewer francs than before.
- Direct Shipment
 - Shipment from port "A" directly to port "B" without any diversion in the route of shipment while in transit.
- Dock Receipt
 - A receipt issued by an ocean carrier to acknowledge receipt of a shipment at the carrier's dock or warehouse facilities. It is also used as verification of delivery/receipt of merchandise by the inland freight carrier to the US air carrier or terminal/port.
- Draft (Bill of Exchange)
 - An unconditional order in writing from one person (the drawer) to another (the drawee), directing the drawee to pay a specified amount to a named payee at a fixed or determined future date.
- Drawback
 - A refund of duties paid on imported goods that are provided at the time of their re-exportation.
- Drayage
 - Local inland movement of goods.
- Duty
 - A tax levied by a government on the import, export or consumption of goods. Usually a tax imposed on imports by the customs authority of a country. Duties are generally based on the value of the goods (ad valorem duties), some other factors such as weight or quantity (specific duties), or a combination of value and other factors (compound duties).
- Duty-Free
 - Article does not require payment of duty to US Customs; however, merchandise processing fees and harbor maintenance fees may still apply.
- Electronic Release

- US Customs reviews the information transmitted by BDP electronically and agrees to release the freight electronically without reviewing the documents or the freight. This is the quickest method of release.
- Entry
 - Documentation required to be filed with Customs to secure the release of imported merchandise and / or the act of filing that documentation.
- Entry Type / Number
 - Customs has established codes to designate certain types of entries based on value and commodity type. The most commonly used entry types are: formal entries (type “01” entries / over USD 2000.00) and informal entries (type “11” / under USD 2000.00)
- Ex- “From”
 - When used in pricing terms such as “Ex Factory” or “Ex Dock” signifies that the price quoted applies only at the point of origin (in the two examples, at the seller’s factory or at a dock at the import point)
- Exchange Rate
 - The price of one currency in terms of another, i.e. the number of units of one currency that may be exchanged for one unit of another currency
- Export
 - To send or transport goods out of a country for sale in another country. In international sales, the exporter is usually the seller or the seller’s agent.
- Export License
 - A government document that permits the “Licensee” to engage in the export of designated goods to certain destinations.
- Foreign Trade Zone (FTZ)
 - A port designated by the government of a country for duty-free entry of any non-prohibited goods. Merchandise may be stored, displayed, used for manufacturing, etc. within the zone and re-exported without duties being paid. Duties are imposed on the merchandise (or items manufactured from the merchandise) only when the goods pass from the zone into an area of the country subject to the Customs Authority. Also known as “free trade area” and “free trade zone.”
- Formal Entry
 - Import entry valued over USD 2000.00
- Full Container Load (FCL)
 - Freight that fills a container and is not shipped as loose freight (LCL/LTL)

- General Export License
 - Any of various export licenses covering export commodities for which Validated Export Licenses are not required. Not formal application or written authority is needed to ship exports under a general Export License.
- General Order (GO)
 - Goods are taken into Custom's custody into a General Order warehouse if entry is not filed within 15 days after arrival of goods. Items remaining in GO beyond six months are considered abandoned and can be destroyed or sold at auction by Customs.
- Harmonized Tariff Schedule (HTS#)
 - Ten digit number used to determine product classification
- Hazardous Materials (Hazmats)
 - A substance or material that has been determined to be capable of posing a risk to health, safety and property when transported in commerce.
- Heavy Lift
 - Articles too heavy to be lifted by a ship's tackle; a charge may be added for lifting these articles.
- Import
 - To bring foreign goods into a country. In international sales, the importer is usually the buyer or an intermediary who accepts and transmits goods to the buyer.
- Incoterms
 - A set of international rules that establishes the relationship between the buyer and the seller under the contracts of sale.
- Independent Carrier
 - A carrier who elects not to join an association of ship owners servicing the same trade lanes and assess the same tariff rates for the same commodities. The independent sets his own service routes, service levels, ship's itinerary, tariff rates and transit times.
- Informal Entry
 - Import entry valued under USD 2000.00
- Inland Bill of Lading
 - A bill of lading used in transporting goods overland to the exporter's international carrier. Although a through bill of lading can sometimes be used, it is usually

necessary to prepare both an inland bill of lading and an ocean bill of lading for export shipments.

- Insurance Certificate
 - A protective or compensatory measure binding a company to compensate a party specified losses; the total amount to be paid in case of loss.
- Intensive Examination
 - US Customs chooses to physically examine the freight; freight may need to be moved to a customs exam site. For ocean shipments, this may involve additional trucking and/or labor costs which must be paid by the importer.
- Intermodal
 - The coordinated transport of freight, especially in connection with relatively long-haul movements using any combination of freight forwarders, piggyback, containerization, airfreight, ocean freight, assemblers or motor carriers.
- In-transit
 - Goods passing through the US in bond (in Custom's custody) without entering the commerce of the US.
- Less than Container Load (LCL)
 - Cargo that is less than a container load; loose freight in small quantities.
- Letter of Credit (L/C)
 - A document issued by a bank stating its commitment to pay someone (supplier/exporter/seller) a stated amount of money on behalf of the buyer (importer) so long as the seller meets very specific terms and conditions. Letters of credit are the most common method of making international payments.
- Letter of Transmittal (LOT)
 - A document issued by BDP indicating the contacts and document requirements per shipment. A Letter of Transmittal is to be included for both US and international document distribution.
- Liner Service
 - A regularly scheduled vessel operating to move cargoes from a scheduled land port to a final designated destination port.
- Liquidation
 - The process that fixes the final appraisement, classification and assessment of duties, taxes and fees respecting that entered merchandise. Liquidation on an entry becomes final and binding on all parties. The liquidation date usually occurs 314 days from date

of entry. Electronic notification of a liquidation date is an informal, courtesy notice and is not the legal liquidation date. Posting of a liquidation date in written format at the Customhouse is deemed the legal evidence of liquidation.

- Live Entry
 - Duties, fees and taxes that are presented immediately at time of entry instead of the 10-day grace period. Most commonly used for quota entries.
- Manifest
 - A document giving the description of a ship's cargo or the contents of a car or truck.
- Marine Insurance
 - Broadly, insurance covering loss or damage of goods at sea. Marine insurance will typically compensate the owner of merchandise for losses sustained from fire, shipwreck, piracy, and various other causes, but excludes losses that can be legally recovered from the carrier.
- Marking (Marks)
 - Letters, numbers, and other symbols placed on cargo packages to facilitate identification.
- Non-Vessel Operating Common Carrier (NVOCC)
 - An entity, without ownership and responsibility of vessels, which contracts space on ocean carriers' vessels, and in doing so, acts in the capacity of an ocean carrier.
- Notify Party
 - Named party listed on the bill of lading, who must be contacted upon arrival of the goods; does not have to be the importer of record.
- Ocean Bill of Lading
 - A bill of lading indicating that the exporter consigns a shipment to an international carrier for transportation to a specified foreign market.
- Ocean Carrier
 - An individual or legal entity that is in the business of operating a fleet of cargo vessels, which transport shippers' freight via ocean.
- On Board
 - Cargo has been loaded on board a combined transport mode of conveyance. Used to satisfy the requirements of a letter of credit, in the absence of an express requirement to the contrary.

- On Deck
 - A special stowage instruction to confine that the cargo stowage must be on deck rather than under deck.
- Open Insurance Policy
 - A marine insurance policy that applies to all shipments made by an exporter over a period of time rather than to one shipment only.
- Packing List
 - A list showing the number and kinds of items being shipped, as well as other information needed for transportation purposes.
- Place of Delivery
 - The final destination of the imported goods.
- Port of Discharge
 - Landing place for the vessel or aircraft.
- Port of Entry
 - The port at which customs clearance is arranged.
- Port of Loading
 - The port, airport of customs point from which an export shipment leaves a country for a voyage to a foreign country; may differ from the point or place of origin.
- Power of Attorney
 - A document which BDP International must have on file, signed by the export/importer, to arrange forwarding services for an export consignment and/or prepare customs clearance for an import consignment.
- Pre-shipment
 - An international program verifying that the quantity, quality and price of purchased goods meets the import requirements specified by the importing country.
- Primary Boycott
 - Restricts imports from specific countries.
- Prior Disclosure
 - Voluntarily providing of information to Customs that serves to correct information previously submitted to Customs, and now found to be incomplete and / or incorrect. There are serious considerations when using this process, and it is recommended that legal counsel be directly involved in submission of any prior disclosure. Additional duties are often submitted.

- Quota
 - When import or export limits are set by foreign countries, allotments are given by the governments of exporting countries to the producers of the products. These allotments can be bought, sold, traded or bartered.
- Reasonable Care
 - A doctrine established under the Mod Act that transferred the legal responsibility for proper classification and valuation from Customs to the importer on record.
- Remote Locating Filing
 - Allows processing of entries with Customs in a completely paperless environment without having an office or agent at the port of entry. Requires special approval and excludes certain types of entries.
- Secondary Boycott
 - Restricts trade with firms dealing with a boycotted country.
- Shipper's Export Declaration
 - A form required for all shipments by the US Treasury Department and prepared by a shipper, indicating the Schedule B or Harmonized Classification number, value, weight, destination, and other basic information about an export. BDP electronically transfers this information to the US Department of Commerce, Washington DC. The information is used by the Bureau of Census Reporting as a data collection tool to record all US export consignment with a value of USD 2500.00 or more.
- Service Contract
 - An agreement between a shipper and an ocean carrier(s) providing for a set rate structure for designated shippers' commodities over a specified period of time. Contracts may also specify service levels.
- Shippers Association
 - A group of exporters that come together in a non-binding agreement to contract for ocean transportation services for an individual carrier or a group of carriers.
- Single Entry / Continuous Bond
 - US Customs requires that any formal entry (entry over USD 2000.00) have a bond posted with a recognized surety company. This bond guarantees customs that any duties or fines will be paid if the importer does not pay them. If the bond is purchased by the importer on an annual basis (each year), it is called a continuous bond and there are no additional fees per entry. If the importer does not have a continuous bond on file, there will be additional charges on each entry to post a bond.

- Tare Weight
 - The weight of a container and/or packing materials without the weight of the goods it contains.
- Tariff
 - Printed price list issued by carrier or conference showing transportation charges.
- Temporary Import Under Bond (TIB)
 - Special entry type for certain goods that are sent to the US for temporary use only, such as repair, testing or exhibition. Goods that qualify are duty-free if they are exported completely within one year and they are subject to fines of double the original duties if this is not done.
- Tertiary Boycott
 - Restricts trade with firms dealing with blacklisted persons.
- Total Entered Value (TEV)
 - Amount listed on the CF 7501 indicating the total value of the goods entered and the value on which duties and fees are calculated.
- Towage
 - The charge made for towing a vessel.
- Transaction Value
 - The price actually paid or payable for merchandise.
- Transshipment
 - The movement of goods from one vessel or mode of transportation to another.
- Uniform Customs and Practice for Documentary Credits (UCP-500)
 - The internationally recognized codification of rules unifying banking practice regarding letters of credit.
- Unit Load Devices (ULD)
 - Packages loaded on a pallet in a crate or any other way that enables them to be handled at one time as a unit.
- US Goods Returned (AGR)
 - Goods originally produced domestically in the US, delivered abroad and then ultimately shipped back to the US. They normally are subject to duty-free treatment with special consideration.
- Validated Export License

- A document issued by the US Government authorizing the export of commodities for which written export authorization is required by law.
- Valuation
 - The process of assigning value to imported goods.
- Value
 - All goods have a value for US Customs, even samples and/or free of charge items. The declared value must indicate the currency and Incoterm used.
- Visa
 - A license issued by the government of an exporting country for the export to a specific importing country of a certain quantity of a quota controlled commodity (such as textiles) subject to a voluntary export restriction or a voluntary restraint agreement.
- Warehouse Receipt
 - A receipt issued by a warehouse listing goods received for storage.
- Waybill
 - A document prepared by a transportation line at the point of a shipment, showing the point of origin, destination, route, consignor, consignee, description of shipment and amount charged for the transportation service, and forwarded with the shipment, or direct by mail, to the agent at the transfer point or waybill destination.
- Wharfage
 - A charge assessed by a pier or dock owner for handling incoming or outgoing cargo.
- “Wheels Up”
 - If faxed documents are received prior to arrival, customs will permit electronic transmission an entry to customs once the freight has been verified as manifested on board the flight destined for arrival in the United States.