



IATA Destination Freight Forwarder (DFF) to Broker (BRK) Communications

Functional Specifications

<IATA Cargo>

<IDFS>

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DOCUMENT CONTROL & DISTRIBUTION

Version History

Version	Amendment Description	Date	By
0.1	Original Draft	21/07/2008	Bill Acheson
0.2	Second Draft	30/07/2008	Bill Acheson
0.3	Third Draft	19/08/2008	Bill Acheson
0.4	eCAG review (MAWB may be needed)	20/10/2008	Bill Acheson

Distribution List

Approved copies of this document will be issued to:

Name	Business Area
Frederic Leger	Cargo Business Process & Standards
Steve Smith	IATA e-freight Project

1 Introduction

1.1 Objective

As part of the IATA e-freight, this document is to give an overview of the business processes and electronic messages that could be implemented to support electronic transmission between Freight Forwarders and Customs Brokers at the destination of a consolidated consignment.

It is important to note that this DFF to BRK communication is not conducted in isolation. It is an integral part of the IATA e-freight project and as such will be one of the forces creating and benefiting from the synergy of all parties involved.

1.2 Definitions¹

AIR WAYBILL (MASTER): A document made out by or on behalf of the shipper, which evidences the contract between the shipper and airline(s).

BROKER: Agent or representative or a professional Customs clearing agent who deals directly with Customs on behalf of the importer or exporter.

CARGO MANIFEST: A listing of the goods comprising the cargo (freight) carried in a means of transport or in a transport-unit. The Cargo manifest which gives the commercial particulars of the goods, such as transport document numbers, consignors, consignees, marks and numbers, number and kind of packages, descriptions and quantities of the goods, may be used in place of the Cargo declaration.

CERTIFICATE OF ORIGIN

A specific document identifying goods, in which the authority or body authorized to issue it certifies expressly that the goods to which the certificate relates originate in a specific country. The word "country" may include a group of countries, a region or a part of a country. This certificate may also include a declaration by the manufacturer, producer, supplier, exporter or other competent person.

CONSIGNEE: The person whose name appears on the air waybill or in the shipment record as the party to whom the cargo is to be delivered by the airline or its agent.

CONSIGNMENT: Is equivalent to the term "shipment", means one or more pieces of goods accepted by the airline from one shipper at one time and at one address, receipted for in one lot, and moving on one air waybill or one shipment record to one consignee at one destination address.

CONSIGNOR: Shipper in case of direct booking with Carrier or his agent.

FORWARDER: The party arranging the carriage of goods including connected services and/or associated formalities on behalf of a shipper or consignee. (*MacAndrews Shipping Dictionary*)

¹ Other than the definitions for Broker, Forwarder, House Waybill, House Manifest, Cargo Manifest, Invoice, Packing List and Certificate of Origin the rest of the definitions are as per CSC Resolution 660 Attachment A Interline Traffic Agreement – Cargo; Article 1 - Definitions

HOUSE MANIFEST: would contain similar information as a CARGO MANIFEST. For the purpose of the House Manifest this would list information for the house waybills associated with the forwarders consolidation. Depending on geographic locations, parties may use these terms as equivalents.

HOUSE WAYBILL: The document made out by an agent/consolidator that evidences the contract between the shipper and the agent/consolidator for the arrangement of carriage of goods.

INVOICE

Document required by the Customs in an importing country in which an exporter states the Invoice or other price (e.g. selling price, price of identical goods), and specifies costs for freight, insurance and packing, etc., terms of delivery and payment, for the purpose of determining the Customs value in the importing country of goods consigned to that country.

PACKING LIST

Document specifying the distribution of goods in individual packages

SHIPPER. Equivalent to the term “consignor” means the person whose name appears on the air waybill or in the shipment record as the or in the shipment record as the party contracting with the airline(s) for carriage of goods.

1.3 Background

As part of the e-freight project, It seemed that the large international Freight Forwarders who are often licensed brokers were in a good position to implement e-freight due to the fact that at origin and destination they rely on a common, shared or integrated ITC platform.

There was a need to identify other scenarios that created barriers to participation in e-freight, for example:

- Small-to-Medium Enterprises (SME) Freight Forwarders, who trade between themselves but require the services of licensed Customs Brokers
- Large global Freight Forwarders dealing with SME Freight Forwarders on certain routes where the services of a Customs Broker was required,
- Large global Freight Forwarders who may not be licensed Customs Brokers
- Large global Freight Forwarders who are licensed Customs Brokers but are instructed by the consignee to hand over the consignment to another licensed Customs Broker
- Situations where licenses are only applicable for specific Customs houses

It was necessary to understand how such business is currently transacted, and whether it is necessary, or beneficial, for IATA to define standards by which such business should be transacted on an electronic basis, to enable the shipments involved to be handled as e-freight and obtain its full benefits.

In addition, when no EDI capability existed the destination Forwarder was being asked to scan some documents and either transmit them, e.g. PDF files, or make them available to the Broker ensuring that the paper was not travelling with the freight.

Some Forwarders and Customs Brokers agreed to do this on a temporary basis but were adamant that it was not the long-term solution.

1.4 Scope

1.4.1 Which stakeholders are in scope?

Most of the stakeholders would typically be SME Freight Forwarders and Customs Brokers/Agents especially:

- Freight Forwarder at destination receiving information from a different Freight Forwarder at origin
- Freight Forwarder at destination receiving information from the same Freight Forwarder at origin but without a shared/integrated system

Excluded from the scope – Customs Brokers at origin (analysis at this stage and within the current scope has not confirmed any definite implications for e-freight).

1.4.2 Which documents are in scope?

Most of the required information to be exchanged between the Freight Forwarders and the Brokers at destination is included in the following documents:

- House Waybill,
- Invoice,
- Packing list,
- Certificate of Origin,
- Freight Invoice*
- Advise Note*
- Other documents, e.g. CITES

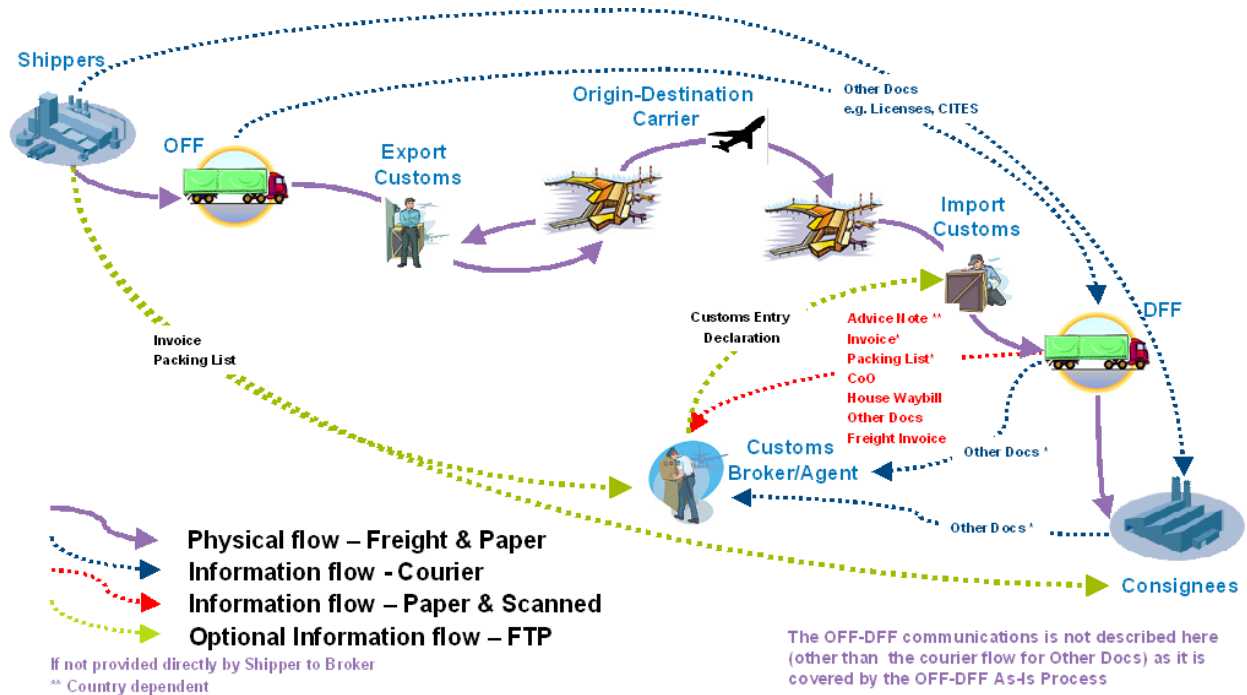
It was determined that Brokers usually do not require the Master Air Waybill or the House Manifest. However, depending on geographical location, a Master Air Waybill may be needed sometimes for Customs clearance purposes.

* Excluded from the scope - the Freight Invoice, Advice Note and other documents. These are not in the current scope of e-freight and will therefore not be covered by this specification at this time. They may be covered in future versions.

2 As-Is Business Process

2.1.1 As-Is business process overview

The following high level As-Is business process is currently in place in most of the locations:



2.1.2 As-Is business process description

Note: For OFF-DFF process, which also includes the shipper to OFF aspect, please refer to the As-Is business process in the OFF-DFF Functional Specification, as it is not repeated here. The process described here is focused on destination procedures.

1. Consignee may receive the other documents, e.g. CITES, via courier from the Shipper (5 - 20% of shipments contains such other documents depending on geographical location)
2. Broker and Consignee may also be provided with electronic access to the trade documents, e.g. Invoice and Packing List by the Shipper, e.g. FTP
3. DFF receives the other documents, e.g. CITES, via courier from the OFF unless received by the Consignee from the Shipper
4. DFF provides the Broker with the scanned Air Waybill, House Waybills, House Manifest, Invoice, Packing list, Certificate of Origin (when received in advance from the OFF as per the OFF-DFF As-Is specification) prior to reception of the freight
5. DFF receives the freight as well as the “pouch” attached to it

6. DFF provides the Broker with the Advice Note (country dependent), Invoice, Packing List, Certificate of Origin, House Waybill, Other Documents (unless provided by the Consignee) and the Freight Invoice
7. Broker prepares the customs declaration
8. Broker lodges the customs entry declaration to clear the goods providing any additional paper documents if requested

2.1.3 As-Is business process concerns

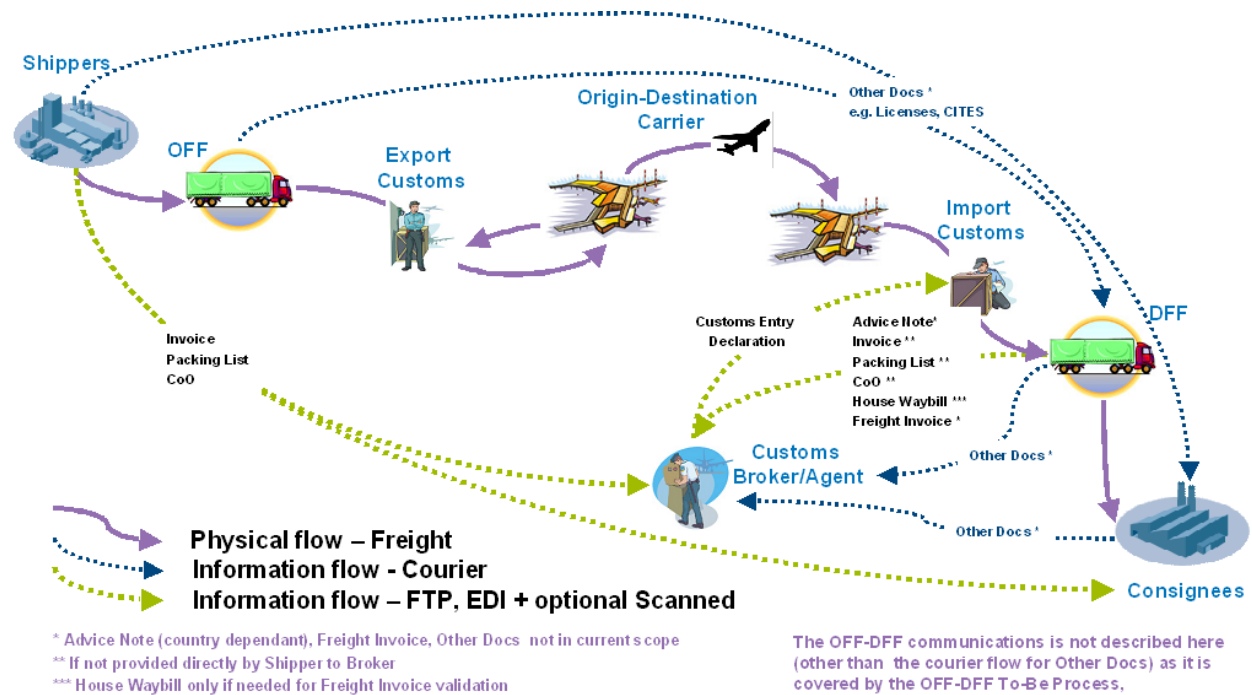
The issues identified during the As-Is discussions are:

- Too much manual data entry and opportunities for mistakes
- Too much paper handling
 - Printing
 - Scanning
 - Sending
- Too many ways of communicating the same information
 - Paper,
 - Courier
 - E-mail (PDF)
 - EDI
- Too few EDI capabilities & options available
- Limited XML over the internet capability
- No clear awareness of what EDI standards should be used

3 To-Be Business Process

3.1.1 To-Be business process overview

The following high level To-Be business process is envisioned for e-freight locations:



3.1.2 To-Be business process description

Note: For OFF-DFF process, which also includes the shipper to OFF aspect, please refer to the To-Be business process in the OFF-DFF Functional Specification, as it is not repeated here. The process described here is focused on destination procedures.

1. Consignee receives the other documents, e.g. CITES, via courier from the Shipper (5 - 20% of shipments contains such other documents depending on geographical location)
2. Broker and Consignee may also be provided with electronic access to the trade documents, e.g. Invoice, Packing List and Certificate of Origin (where feasible) by the Shipper, e.g. FTP
3. DFF provides the Broker with the Invoice, Packing List, Certificate of Origin (where feasible), House Waybill, Freight Invoice and Advice Note (country dependent) electronically
4. Broker prepares the customs declaration in advance based on electronic data
5. DFF receives the freight

6. Broker lodges the customs declaration to clear the goods providing any additional paper documents if requested

3.1.3 To-Be Standard Electronic Messages

As part of IATA e-freight some standards are recommended. For the sake of consistency at this time the following available standards are recommended for use in an e-freight environment between freight forwarders at origin and freight forwarders at destination:

Document Type	Organisation	Standard	Message
Invoice	IATA	UN/CEFACT XML	Invoice
Packing List	IATA	UN/CEFACT XML	Packing List
Certificate of Origin (where feasible)	IATA	UN/CEFACT XML	Certificate of Origin
House Waybill	IATA	Cargo IMP	FZB

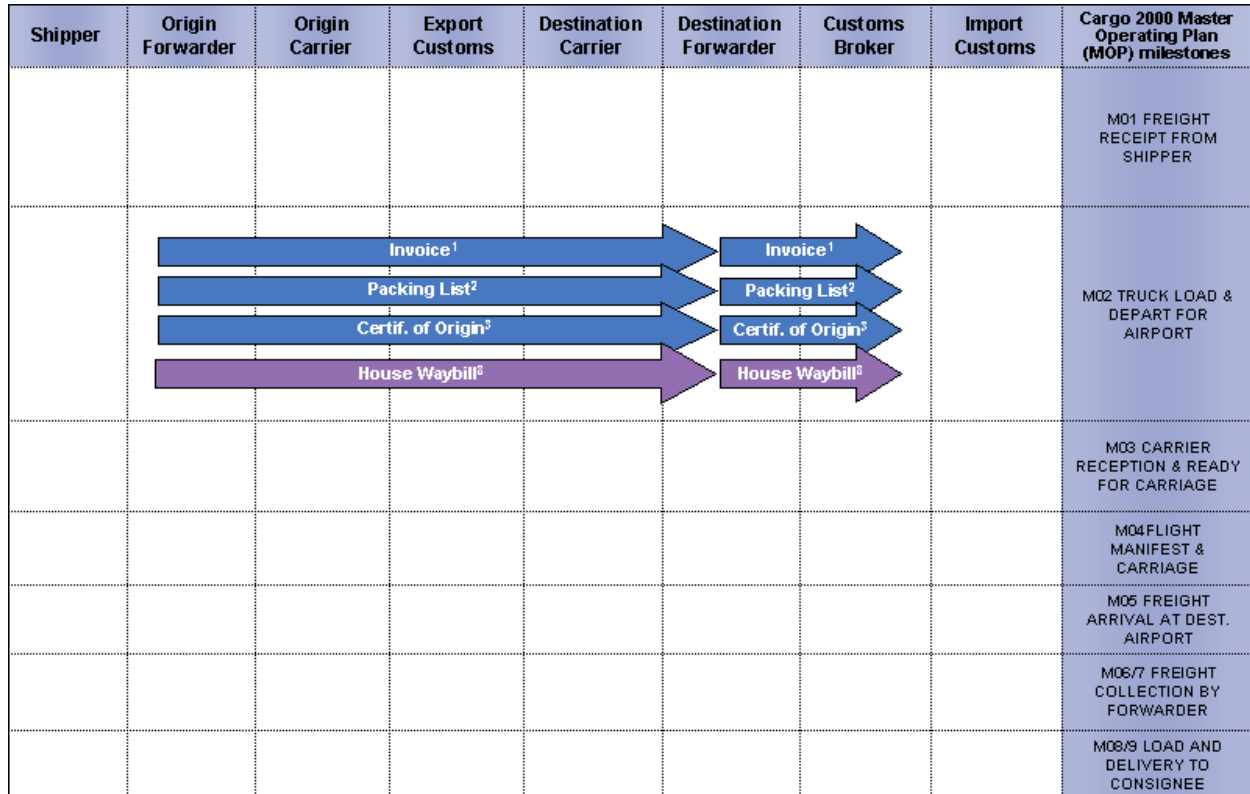
However, as there was only one option for the House Waybill Message (FZB) and it was not widely implemented it was deemed prudent that future considerations should also include an XML version.

Similarly, XML versions should be considered for the House Manifest and the Master Air Waybill.

Any discussions regarding development of message standards for use by Freight Forwarders will of course include Freight Forwarder representation coordinated with FIATA and their regional associations.

4 Message Flow

The message flow below describes the solution as envisaged, based on initial discussions.



5 Benefits of the proposed solution

Implementing the proposed solution based on the business and technical requirements identified during the To-Be discussions would bring the following benefits:

- Reduced manual data entry and opportunities for mistakes
- Less paper handling
 - Less printing
 - Less scanning
 - Less sending of scanned images
- Less duplicated communication of the same information
- Use of identified available EDI standards
 - Less development effort when integrating the electronic standards

Annex 1

MESSAGE SPECIFICATIONS

The Invoice specifications of the Invoice can be provided. Please contact IATAe-freight@iata.org.

The specifications of the Packing List can be provided. Please contact IATAe-freight@iata.org.

The specifications of the Certificate of Origin can be provided. Please contact IATAe-freight@iata.org.

The specifications of these IATA standard electronic messages are described in the Cargo Interchange Manual Procedures (CIMP) that can be accessed and purchased at the following URL: <http://www.iata.org/ps/publications/cimp.htm>