



IATA Origin Freight Forwarder (OFF) to Destination Freight Forwarder (DFF) Communications

Functional Specifications

<IATA Cargo>

<IDFS>

<21/07/2008>

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 | 2/10/2008 | 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 at the origin (OFF) of a consolidated consignment and Freight Forwarders at the destination (DFF) of a consolidated consignment.

It is important to note that this OFF to DFF 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).

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.

¹ Other than the definitions for 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

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*)

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 pilot project, It seemed that the large international Freight Forwarders 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.

But there was a need to identify whether there are barriers to:

- Small-to-Medium Enterprises (SME) Freight Forwarders, who trade between themselves, becoming involved in e-freight
- Large global Freight Forwarders dealing with SME Freight Forwarders on certain routes converting the business on these routes to e-freight

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 get its full benefits.

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

Some forwarders 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 especially:

- Freight forwarder at origin exchanging information with a different freight forwarder at destination
- Freight forwarder at origin exchanging information with the same Freight forwarder at destination without a shared/integrated system

Excluded from the scope - the freight forwarder at origin exchanging information with the same Freight forwarder at destination with a shared/integrated system

1.4.2 Which documents are in scope?

Most of the required information to be exchanged between the origin and destination freight forwarders is included in the following documents:

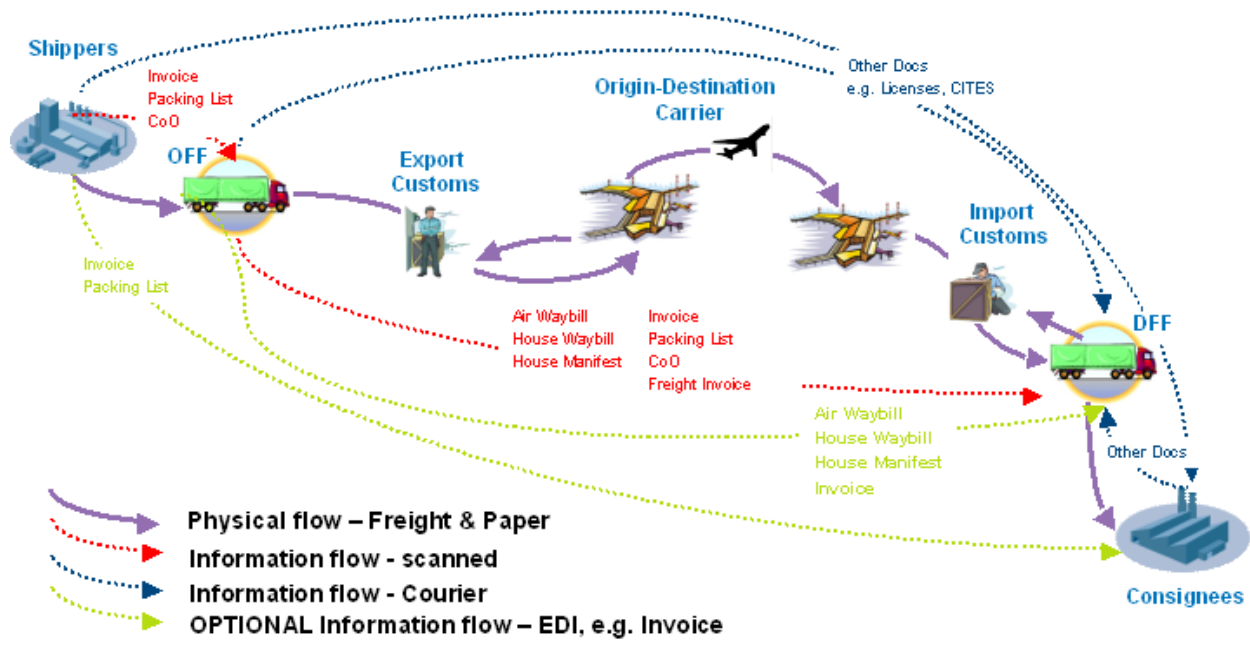
- Master Air Waybill
- House Waybill,
- House Manifest,
- Invoice,
- Packing list,
- Certificate of Origin,
- Freight Invoice*
- Other Documents, e.g. CITES*

* Excluded from the scope - the Freight Invoice and Other Documents, are not in the current scope of e-freight and therefore EDI specifications will not be developed and recommended at this time. They may be developed and recommended in future.

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

1. Shipper provides:
 - The OFF with hard copies and possibly scanned images of the trade documents, e.g. Invoice, Packing List, Certificate of Origin and, if applicable, hard copies of the other documents
 - The Consignee with the other documents via courier as well electronic versions of the trade documents, e.g. Invoice, Packing List in some circumstances
2. OFF creates the House Waybills, the Master Air Waybill and the House Manifest
3. OFF prepares the consolidation and places the Air Waybill, House Waybills, House Manifest, Invoice, Packing list, Certificate of Origin and the Freight Invoice in the “pouch” that travels with the freight
4. Unless sent directly by the Shipper to the Consignee, OFF sends the other documents, e.g. CITES, via courier to the DFF (5 – 20 % of shipments contains such other documents depending on geographical location)
5. OFF in most of the cases scans the Air Waybill, House Waybills, House Manifest, Invoice, Packing list, Certificate of Origin and the Freight Invoice and e-mails them to the DFF
6. OFF in some cases sends electronic versions of the Air Waybill, House Waybills, House Manifest, Invoices to the DFF

7. DFF receives the scanned or electronic Air Waybill, House Waybills, House Manifest, Invoice, Packing list, Certificate of Origin and Freight Invoice
8. DFF receives the other documents, e.g. CITES, via courier from the OFF or directly from the Consignee
9. DFF prepares the customs declaration prior to the reception of the freight
10. DFF receives the freight as well as the “pouch” attached to it and lodges the customs declaration to clear the goods providing any additional paper documents if requested

2.1.3 As-Is business process concerns

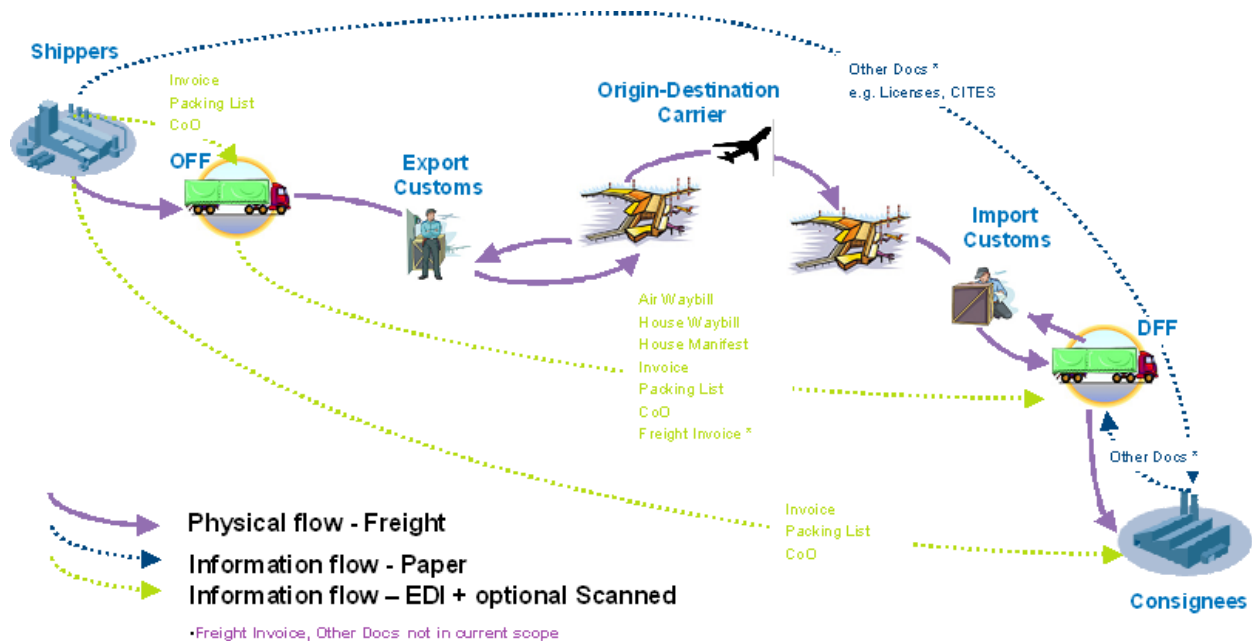
The issues identified during the As-Is discussions are:

- Too much 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

1. Shipper provides:
 - The OFF electronic versions of the trade documents, e.g. Invoice, Packing List, Certificate of Origin and, if applicable, hard copies of the other documents
 - The Consignee with the other documents e.g. CITES (5 – 20% of shipments contain such other documents, depending on geographical location), via courier as well electronic versions of the trade documents, e.g. Invoice, Packing List in some circumstances
2. OFF creates the House Waybills, the Master Air Waybill and the House Manifest
3. OFF prepares the consolidation and sends electronic versions of the Air Waybill, House Waybills, House Manifest, Invoice, Packing list, Certificate of Origin (where feasible) and possibly the Freight Invoice to the DFF
4. DFF receives the electronic versions of the Air Waybill, House Waybills, House Manifest, Invoice, Packing list, Certificate of Origin (where feasible) and possibly the Freight Invoice
5. DFF receives the other documents, e.g. CITES, directly from the Consignee
6. DFF prepares the customs declaration prior to the reception of the freight

7. DFF receives the freight and lodges the customs declaration electronically to clear the goods providing any additional printed versions of electronic 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 |
| House Manifest | IATA | Cargo IMP | FHL |
| Master Air Waybill | IATA | Cargo IMP | FWB |

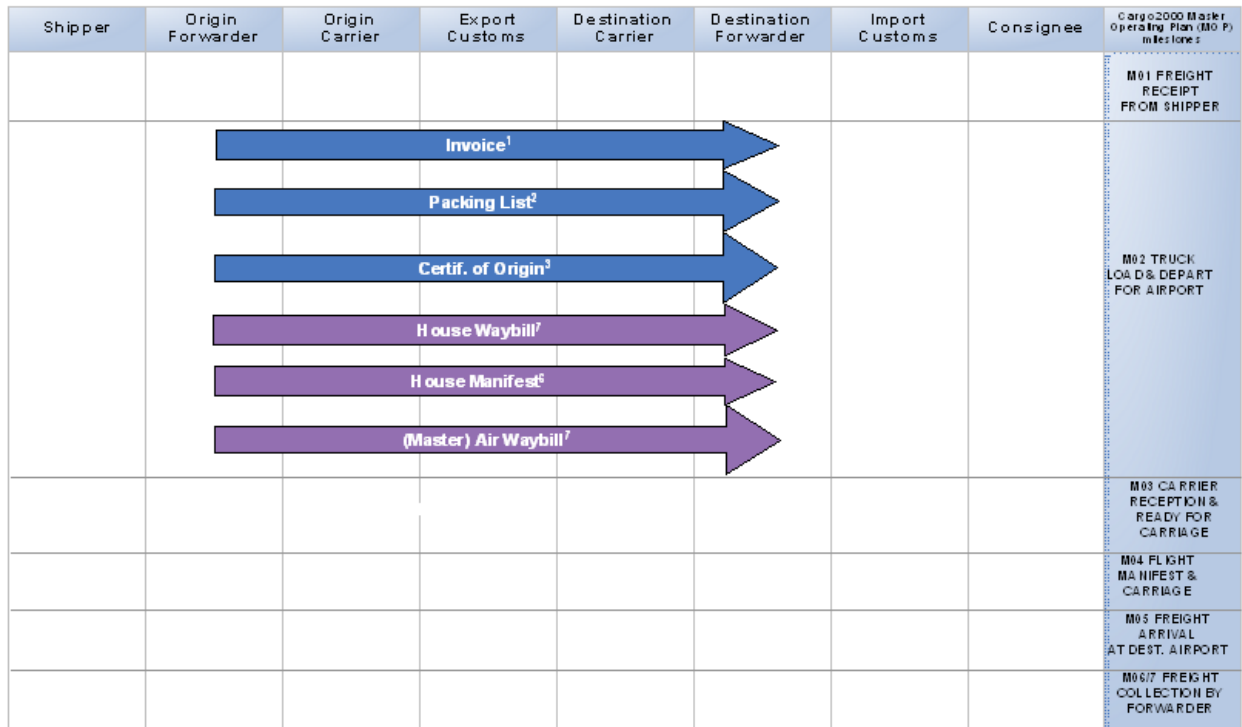
However, as there was only one option for the House Waybill Message (FZB) and it was not widely implemented it was deemed prudent that future considerations should also include an XML version.

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>