

Recommendation 23

FREIGHT COST CODE – FCC

Harmonization of the Description of Freight Costs and Other Charges

At its thirty-first session, in March 1990, the Working Party on Facilitation of International Trade Procedures adopted the following Recommendation:

RECOMMENDATION

The Working Party on Facilitation of International Trade Procedures

Being aware of the need of an internationally agreed harmonized terminology for the description of freight costs and other charges incurred in the framework of a transport operation,

Conscious of the need of an international code for the assignment of unambiguous coded representations of those descriptions,

Recommends that the naming system for freight costs and other charges described hereafter be accepted and used by international and national organizations, transport operators, transport users and other interested parties and that its acceptance and use is promoted by national trade facilitation bodies;

Further recommends that the coding system referred to as the “Freight Cost Code (FCC)” be used whenever there is a need for a coded representation of plain language names for freight costs and other charges.”

At the thirty-first session of the Working Party representatives attended from: Austria; Belgium; Bulgaria; Canada; Czechoslovakia; Finland; France; German Democratic Republic; Germany, Federal Republic of; Hungary; Iceland; Ireland; Malta; Netherlands; Norway; Poland; Portugal; Romania; Spain; Sweden; Switzerland; Turkey; Union of Soviet Socialist Republics; United Kingdom of Great Britain and Northern Ireland; United States of America; and Yugoslavia. Representatives from Australia, Israel, Japan, New Zealand and Senegal participated under Article 11 of the Commission’s terms of reference.

The session was attended by representatives of the secretariat of the United Nations Conference on Trade and Development (UNCTAD) and the United Nations Commission on International Trade Law (UNCITRAL) as

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well as by representatives of the following international organizations: European Economic Community (EEC), Customs Co-operation Council (CCC) and Council for Mutual Economic Assistance (CMEA). The following non-governmental organizations were represented: International Chamber of Commerce (ICC); International Organization for Standardization (ISO); International Air Transport Association (IATA); International Association of Ports and Harbours (IAPH); International Chamber of Shipping (ICS); International Data Exchange Association (IDEA); International Road Transport Union (IRU); International Federation of Freight Forwarders Associations (FIATA); International Union of Railways (UIC); Office Central des Transports Internationaux Ferroviaires (OCTI); and Society for Worldwide Interbank Financial Telecommunication (S.W.I.F.T.). Also present at the invitation of the secretariat was a representative of the European Free Trade Association (EFTA).

I. BACKGROUND

1. Documents such as Rail or Road Consignment Notes, Sea Waybills, Air Waybills, Invoices, etc. usually include a variety of freight costs and other charges incurred in the course of a transport operation. The terminology used to describe those freight costs and other charges vary from one mode of transport or handling site to another.
2. For each mode of transport or handling site considered in isolation, transport users normally provide the required information and transport operators process the data without great difficulty. However, the advent of multimodal transport and the development of electronic data interchange (EDI) between various parties have changed the situation.
3. Especially for automated procedures based on trade data interchange it is imperative to harmonize the concepts and the terminology with respect to freight costs and handling charges. This is particularly relevant in connection with the development of standard message specifications for EDI.
4. In 1986, it was agreed by the ECE Working Party on Facilitation of International Trade Procedures that steps be taken towards harmonization by the identification of similar concepts which had been so far formulated in different ways.

5. During 1987 investigations have been carried out by international organizations covering various modes of transport, giving a good insight into the complexities of the work to be undertaken.

6. In 1987 it was decided to form an ad-hoc group to proceed with the harmonization of the descriptions of freight costs and other charges related to international transport. The Working Party on Facilitation of International Trade Procedures agreed in its session of March 1988 on the following tasks of this ad-hoc group:

- To establish common concepts and terminology for freight costs and other charges related to international trade, occurring in trade data interchange be it by paper documents or by electronic means.
- To establish a simple, user friendly code set of the descriptions of freight costs and other charges.

7. The results of this ad-hoc group have been submitted to the Working Party on Facilitation of International Trade Procedures, and adopted at its thirty-first session on 16 March 1990.

II. SCOPE

8. This recommendation provides a naming system to be used for the establishment of harmonized descriptions of freight costs and other charges related to the international movement of goods. Further, it specifies a code for the assignment of unambiguous coded representations of those descriptions.

III. FIELD OF APPLICATION

9. This recommendation applies in all cases where descriptions of freight costs and other charges have to be stated in plain language or in coded form in trade data interchange, be it in paper documents or by electronic means.

IV. REFERENCES

10. ECE/FAL Recommendation No.19 “Codes for modes of transport”.

V. NAMING SYSTEM FOR FREIGHT COSTS AND OTHER CHARGES

11. The naming system caters for the designation of freight costs and other charges at three levels:

1. First level: cost heading of main category;
2. Second level: general description within a cost heading;
3. Third level: detailed description.

12. First and second level descriptions can be used irrespective of the mode of transport or handling site concerned. Level-1 descriptions are for use by those parties who want to handle freight costs and other charges in a very general way. Level-2 descriptions have been established to accommodate the requirements of the majority of buyers of transport services who want a stable set of commonly applied freight costs and other charges at a sufficient level of detail. Level-3 descriptions are for use by those parties who need to handle freight costs and other charges in a very detailed manner. The plain language names of freight costs and other charges at level-1 and level-2 have been harmonized. They are given in the Annex to this Recommendation.

13. Detailed descriptions in most cases vary from one mode of transport, or one type of handling site, to the other. Whenever a similar concept is covered by various detailed descriptions used within various modes of transport or handling sites, a harmonized common name has been established. The use of this common name is preferred in trade data interchange.

Examples:

1. Freight charges additional

Maritime	: Container utilization charge
Rail	: Use container (charge for)
Ship’s Agent	: Container usage charge
Common name	: Container Utilization Charge

2. Documentation charges

Maritime	: Disbursement collection fee
Rail	: Cash on delivery (charge for)
Road	: Disbursement collection fee
Air	: Disbursement fee
Freight forwarder	: Advanced money commission
Common name	: Disbursement Fee

If, however, the use of a detailed plain language description specific to one mode of transport or handling site is preferable for practical reasons, this specific description may be used. To distinguish it from the common name, that specific description may be complemented by an indicator (see below) giving the mode of transport or type of handling site involved.

Examples:

1. Container usage charge, DD
2. Cash on delivery (charge for), 20

14. The following indicators have been assigned to express a specific mode of transport or a type of handling site:

- 10 Maritime transport
- 11 Maritime transport deep sea
- 12 Maritime transport feeder service
- 13 Maritime transport ro/ro service
- 14 Maritime transport short sea

- 20 Rail transport
- 30 Road transport
- 40 Air transport
- 50 Mail
- 60 Multimodal/Combined transport
- 70 Fixed transport installations
- 80 Inland water transport
- BB Handling Site: Terminal operation
- DD Handling Site: Ship's agent
- FF Handling Site: Freight forwarder/forwarding agent

VI. CODING SYSTEM FOR FREIGHT COSTS AND OTHER CHARGES.

15. For reasons of efficiency and effectiveness such as independence of natural languages, compression of the number of characters and validation purposes, a coded representation of plain language names for freight costs and other charges is preferable in trade data interchange. To this end a code has been set up.

16. The code may be referred to as the "Freight Costs Code (FCC)".

17. It is intended to cover all descriptions of freight costs and other charges relevant for purposes of international trade data interchange.

18. It is recognized that the coverage cannot be complete for all applications, and that descriptions which may not be of interest in international trade might be needed for domestic purposes in conjunction with the international code. Although such additional entries might not be included in the internationally agreed code set, they may be included in domestic code sets. In consultation with Governments and international bodies concerned they may be submitted as proposals for inclusion in the international code set in accordance with the maintenance procedures.

Warning: Domestic code values cannot be guaranteed to be unique as the same code value may be allocated in different areas. So, if domestic code sets are being used, care must be taken not to apply them in information exchange going beyond the area of application intended.

VII. STRUCTURE AND PRESENTATION OF THE CODE

19. A coded representation will be assigned to each agreed name of a freight cost or other charges, and will consist of six numeric characters.

20. The coded representation is structured as follows: – first digit to indicate the cost heading – second and third digit to indicate the general description – fourth, fifth and

sixth digit to indicate the detailed description. If only a cost heading or general description level is used the trailing digits will be zeroes.

21. Each code value represents a description of a freight cost or other charge.

22. The list of coded representations and common names of level-1 and level-2 will be included in the Trade Data Elements Directory (UNTDED). For coded representations and names of level-3, reference is made to a separate publication of the Freight Cost Code in which the full list of all allocated coded representations is included. The secretariat should be contacted in order to obtain information on technical and other conditions under which the Freight Cost Code can be made available.

23. When codes have to be selected by the secretariat, they will be presented as interim codes pending confirmation.

VIII. MAINTENANCE OF THE CODE

24. The Freight Cost Code will be maintained by the UN/ECE Secretariat.

25. Requests for new code values, changes or cancellations have to be addressed to the secretariat in accordance with the procedures concerning coding matters in force for the organization of the work of the UN/EDIFACT rapporteurs.

IX. UTILIZATION

26. Representations of freight costs and other charges can be given in plain language or in coded form. For electronic data interchange the coded form is recommended. The choice of descriptions to be applied depends on the requirements of the communicating partners. Communication partners will determine which code values out of the total code set will be used.

X. EXAMPLES

27. Use of level-1 descriptions:

Coded	Plain language
100000	Freight charges
200000	Goods handling charges
400000	Transport equipment charges

28. Use of level-2 descriptions:

Coded	Plain language
105000	Pre-carriage charge
201000	Handling equipment hire charge
207000	Delivering charges
401000	Transport equipment rent

29. Use of third level descriptions:

N.B. The code values mentioned below are only shown by way of example and must not be used for operational purposes.

Coded	Plain language
101123	Excess freight
102456	Rebate – contract
104567	Additional dunnaging charge
105789	Precarriage road
214345	Reweighting
301876	Preparing certificates of origin
600086	Pilotage

Annex

HARMONIZATION OF THE DESCRIPTION OF FREIGHT COSTS AND OTHER CHARGES

Level	Name	Level	Name
1	Freight charge <i>Amount to be paid for moving goods, by whatever means, from one place to another, inclusive of discounts, allowances, rebates, adjustment factors and additional costs related to the freight costs.</i>	2	Heating additional charge <i>Amount to be paid in addition to the basic freight charges for special care and/or equipment for heating of goods during transport and/or custody of goods.</i>
2	Basic freight <i>Amount to be paid for moving goods, by whatever means, from one place to another, exclusive of allowances, adjustments and any additional costs.</i>	2	Cooling additional charge <i>Amount to be paid in addition to the basic freight charges for special care and/or equipment for cooling of goods during transport and/or custody of goods.</i>
2	Freight charge allowance <i>Amount deductible from the freight charges.</i>	1	Goods handling charge <i>Amount to be paid for the handling or storage of goods at seller/buyer premises, terminal bonded warehouses in free zones and other locations.</i>
2	Freight charge adjustment <i>Amount to adjust the freight charges in connection with discrepancies/fluctuations in e.g. bunker prices or rates of exchange.</i>	2	Handling equipment hire charge <i>Amount to be paid for the use of handling equipment, such as fork trucks, terminal chassis, container cranes.</i>
2	Freight charge additional <i>Amount to be paid in addition to the basic freight charges.</i>	2	Loading charge <i>Amount to be paid for the loading of goods or containers on or into a means of transport.</i>
2	Pre-carriage charge <i>Amount to be paid for the pre-carriage of goods.</i>	2	Discharging charge <i>Amount to be paid for discharging goods or containers from or out of a means of transport.</i>
2	On-carriage charge <i>Amount to be paid for the on-carriage of goods.</i>	2	Shifting charge <i>Amount to be paid for shifting goods or containers.</i>
2	Dangerous goods additional charge <i>Amount to be paid in addition to the basic freight charges for special care and/or special measures to be taken for the moving of dangerous substances or articles in a consignment.</i>	2	Reloading charge <i>Amount to be paid for reloading goods or containers on or into a means of transport.</i>
2	Special transport additional charge <i>Amount to be paid in addition to the basic freight charges for special care and/or special measures to be taken with a view to the deviating nature of the transport.</i>	2	Receiving charge <i>Amount to be paid for receiving goods or containers.</i>

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Level	Name	Level	Name
2	Delivering charge <i>Amount to be paid for delivering of goods or containers.</i>	2	Transport equipment rent <i>Amount to be paid for the hire of transport equipment.</i>
2	Terminal activities charge <i>Amount to be paid for special activities carried out on (container) operator's terminal.</i>	2	Transport accessories rent <i>Amount to be paid for the hire of transport accessories.</i>
2	Storage charge <i>Amount to be paid for storage of goods or containers.</i>	1	Duties taxes and fees charge <i>Amount to be paid to Customs for Customs clearance.</i>
2	Man hours charge <i>Amount to be paid for employment of (special) labour.</i>	2	Customs duty <i>Customs duties collected by Customs.</i>
2	Labelling and marking <i>Amount to be paid for (re)labelling and/or (re)marking or goods before loading or after discharge of goods.</i>	2	Value added tax <i>Value added tax to be paid.</i>
2	Sorting charge <i>Amount to be paid for sorting of goods before loading or after discharge of goods.</i>	2	Other taxes and fees (e.g. Excise)
2	Packing charge <i>Amount to be paid for packing or repacking of goods.</i>	1	Miscellaneous charge <i>Amount to be paid, not elsewhere specified.</i>
2	Weighing charge <i>Amount to be paid for weighing, superintending weighing or control of weight of goods or containers.</i>	2	Transport insurance charge <i>Amount to be paid for insurance of cargo under transportation.</i>
2	Miscellaneous handling charge <i>Amount to be paid for handling of goods, not specified elsewhere.</i>	2	Warehouse insurance charge <i>Amount to be paid for insurance of goods in warehouse.</i>
1	Documentation charge <i>Amount to be paid for preparation, handling and/or presentation of documents or related to a consignment.</i>	2	Warehouse rent <i>Amount to be paid for the hire of warehouse.</i>
2	Trade documentation charge <i>Amount to be paid for drawing up of trade documentation.</i>	2	Customs warehouse rent <i>Amount to be paid for the storage of goods in Customs warehouse.</i>
2	Transport documentation charge <i>Amount to be paid for drawing up of transport documentation.</i>	2	Handling assistance to Customs <i>Amount to be paid for handling assistance to Customs.</i>
1	Transport equipment charge <i>Amount to be paid for the use of transport equipment., e.g. freight containers, trailers, railway wagons.</i>	2	Administration fee <i>Administration fee to be paid.</i>
		2	Disbursement <i>Amount of disbursement to be paid.</i>
		2	Disbursement fee <i>Disbursement fee to be paid.</i>
		2	Surplus cost <i>Surplus cost to be paid.</i>