

Introduction to 10 CFCFA Recommended International Regional NGO Standards

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2016-2020 CFCFA Standard System-1²

● **Public Service & Professional Service**

➤ **Public services**

- Marine, road, rail, air, pipeline, multi-modal transport,
- International freight forwarding,
- International supply chain management,
- Warehouse management,
- International courier (express delivery).

2016-2020 CFCFA Standard System-1³

● Public Service & Professional Service

Professional services

Logistic Standards for:

- Large bulk international trade,
- Shipping,
- e-Commerce ,
- Agro-produce
- Medical and food,
- Engineering,
- Cold chain
- others

2016-2020 CFCFA Standard System-2⁴

● **Public Service & Professional Service**

Basic standards, tech standards, management standards, organization service requirement, public service area design and construction standards

➤ **Basic Standards**

- Standard glossary, categorization and coding
- Image & logo
- Trade term and format
- Logistic modeling

2016-2020 CFCFA Standard System-2⁵

● Public Service & Professional Service

➤ Tech Standards

- Sensing, positioning and monitoring
- Transportation vehicle, facilities, equipment and machinery
- Moving, loading, storage facility, equipment and tools
- Service
- Transport unit and smart technology
- Installation and repair, assembly and auto control
- Packaging, processing, moving, loading/unloading, fixing, storage, transportation
- IT standards.



2016-2020 CFCFA Standard System-2⁶

➤ **Information Technology standards;**

- Information categorization,
- Coding and meta data standards,
- Information exchange and messaging standards,
- Information system and platform standards

2016-2020 CFCFA Standard System-3⁷

➤ **Management standards**

- Moving, loading/unloading, fixing, storage, transportation management,
- Installation and repair, assemble and auto-control;
- Testing & certification
- Exhibition and construction
- Operations
- Credit management
- Performance evaluation
- Risk management
- Safety and security
- Document processing and property right handover
- Tracing management

2016-2020 CFCFA Standard System-3⁸

- Emergency management
- Transport tools, equipment leasing and financing
- Financing pledge
- Operation coordination and business coordination
- Customs declaration, quarantine and cross border facilitation
- Green and environmental
- Statistic standards, supply chain management
- Fees and settlement

2016-2020 CFCFA Standard System-4⁹

➤ **Organization service standards**

Organization service categorization standards; organization qualification and categorization standards; organization service quality standards; practitioner qualification standards; training and re-training standards; service supplier management standards; service network management standards; passenger cross-border facilitation standards

➤ **Public service area design and construction standards**

Design and construction standards for parks, terminals, and trans-loading yard; performance evaluation standards for terminal planning; service venue design and construction standards; design and construction standards for loading, transshipping, monitoring, storage, etc

International logistics liability insurance-1

1、 Objective and Significance

Along with increasingly fierce market competition, the service capabilities of freight forwarding logistics companies have become mismatched with their capability to assume legal liabilities and freight forwarding logistics companies frequently incur various liability litigations as the center of conflict of interests among trading parties, therefore correctly determining the rights and obligations of freight forwarding logistics companies and goods owners, defining their responsibilities and preserving their interests have become significant tasks. To manage such risks, the procurement of logistics liability insurance has become a preferred means of risk transfer for logistics companies.

Any negligence or fault of freight forwarding logistics companies in the business process ranging from conclusion of transport, warehousing, processing and other contracts to the selection of carriers, booking, customs brokerage, inspection brokerage, issuance of documents, warehousing and actual transport might result in severe consequences and tremendous economic loss. International logistics legal liability insurance is an insurance clause designed for the liability risks of freight forwarding logistics companies, with a view to compensating freight forwarding logistics companies for possible risks and losses throughout the whole business process from the receipt of goods to delivery involved in international goods transport.

Since international freight forwarding logistics companies in CAREC countries rarely procure liability insurance and insurers lack the underwriting experience, international logistics legal liability insurance in CAREC countries are still at the stage of trials and error. To accommodate the development of the modern logistics industry in CAREC countries and to learn from the successful experiences in developed countries, this international logistics legal liability insurance clause has been developed in light of CAREC countries conditions as the first of its kind in CAREC countries.

International logistics liability insurance-2

2.Main Contents

Insurance Contract;Coverage;Exclusions;Limit of Indemnity and Deductibles;Policy Period and Commencement of Coverage;Execution of Insurance Contract;Insurance Premium and Payment Terms;Obligations of Applicant and the Insured;Obligations of Insurer;Treatment of Claim; Liabilities for Default and Dispute Resolution;

Annex A (Informative Annex) International Freight Forwarding B/L Liability Insurance Policy,

Annex B (Informative Annex) Premium Payment Process;

Annex C (Informative Annex) Obligations of the Applicant and the Insured;

Annex D (Informative Annex) Obligations of the Insurer ;

Annex E (Informative Annex) Treatment of Claim;

Annex F (Informative Annex) Liabilities for Default and Dispute Resolution;

International logistics liability insurance-3

3. Coverage (Extract)

Direct Loss to the Entrusting Party

During the policy period, the insured and its agent accept the entrustment of the entrusting part in the capacity of international freight forwarder to provide international freight forwarding services, during which any direct losses to the entrusting part in the following circumstances, which shall be compensated by the insured according to the governing laws, shall be indemnified by the insurer to the limit of indemnity specified in the insurance contract:

Any additional transport costs incurred due to failure to ship the goods, mis-shipment, mis-transport or mis-delivery of the goods in the provision of the international freight forwarding services, excluding any loss to the goods so incurred;

Any costs and expenses incurred by the entrusting part due to omission, erroneous preparation or issuance of related instruments or documents;

Any costs and expenses incurred as a result of the delayed delivery of goods due to omission of the insured if the delivery date or time is agreed upon in writing in advance;

Any loss to the goods of the entrusting part (including due to theft and robbery) due to negligence or fault in the process of supervised loading, unloading, storage or preservation at the port or warehouse (including the warehouses owned by the insured or the warehouse and places leased by the insured or under the entrustment of the insured for temporary storage);

Any loss to the goods of the entrusting part due to errors in the operations of unstuffing, stuffing or consolidating in case of containerized transport;

Any loss to the goods of the entrusting part due to improper or insufficient packaging or reinforcement of the goods;

Additional duty imposed by the competent authorities due to the violation of the laws and regulations on import and export or customs declaration as a result of any fault of the insured in the process of customs declaration.

International logistics liability insurance-4

Direct loss to the goods

During the policy period, if the insured and its agent, while providing freight forwarding services, issues related transport documents or assumes liabilities as an independent operator and causes any direct loss to the goods under the aforementioned transport documents due to any of the following events, except for any liabilities set forth in Article 5.1 above, which loss shall be compensated by the insured according to the governing laws. The insurer shall also indemnify the insured for such loss to the limit of indemnity specified in the insurance contract.

Fire and explosion; Theft, robbery or unavailability of goods for pickup; Collision, derailment, overturning, collapse, grounding, stranding or wrecking of means of transport or collapse of road, tunnel, bridge or dock;

Breaking, bending, denting, fracture, spillage, cracking, leakage or staining of goods, breaking of package or damage to packaging due to vibration, collision, extrusion, falloff or overturn; Handling in violation of operating instructions;

Water damage while complying with transport safety regulations;

Inability to recover the goods due to mis-shipment, mis-transport or mis-delivery of goods or costs of recovery in excess of the value of the goods;

Improper stuffing, unstuffing, consolidation, delivery/receipt of goods, planning, stowage, handling, storage, relocation, packaging or reinforcement;

Shortfall or damage found in handover of goods;

Decomposition or deterioration of goods due to failure of refrigeration equipment;

Improper mechanical operation or failure of machinery used.

Code of contracts for international freight forwarders-1

1.Objective and Significance

The international freight forwarding business is very extensive and involves numerous transaction contracts such as transport contracts, agency contracts, customs declaration and inspection agency contracts, logistics service contracts, impawning supervision contracts, warehousing contracts, charter contracts, transport vehicle finance leasing contracts and transport equipment leasing contracts. Before developing applicable standards for these transaction contracts, it is necessary to develop international freight forwarding contract specifications, defining the general requirements, contract elements and specifications for international freight forwarders to sign contracts on provision or procurement of service as agents or independent operators, in preparation for subsequent development of standards applicable to each transaction contract.

Code of contracts for international freight forwarders-2

2. Main Contents

General Requirement; Contract Elements; Nature of Contract; Parties; Interpretation of Terms Used in Contract; Governing Law; Subject Matter of Contract; Rights and Obligations of Parties; Fee, Payment and Due Date; Force Majeure Clause; Confidentiality; Liabilities for Breach of Contract; Contact Details of Each Party; Dispute Resolution; Appendices; Entry into Force, Modification and Termination of Contract; Number of Originals; Signing of Contract

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Code of contracts for international freight forwarders-3

3. Rights and Obligations of Parties

Where necessary, the contract may clearly specify the following:

Some special requirements for the subject matter of contract, such as requirements for transshipment, partial shipment or deck option in the transport contract, requirements for open-air storage, stacking height limits, fire and waterproof protection facilities and minimum warehousing areas in the warehousing contract, requirements for the site and equipment of supervision in the impawning supervision contract and requirements for distribution timing in the distribution contract; Licenses or administrative permits required of the parties to the contract, such as the license of handling dangerous goods;

The rights and obligations in connection with reconsignment and subcontracting and, if necessary, the process in which the entrusting party confirms the third party in the reconsignment shall be specified;

The subject and conditions of lien, as well as the rights and obligations of parties at the time of occurrence of lien;

The subject and conditions of document detention, as well as the rights and obligations of parties at the time of occurrence of document detention; The related cargo insurance, liability insurance and insured value, including the insurance coverage, the insured, amount of insurance and allocation of costs;

The packaging requirements or applicable criteria; The cargo inspection process;

Emergency measures in case of emergency.

RFID Tag Application Criteria for Pallet-1

- 1.Objective and Significance

A pallet RFID tag is a major part of the basic information collection layer of internet of things (IOT), capable of data collection, route monitoring and status monitoring of carried articles, as well as optimize the overall supply chain efficiency, reduce logistics cost, improve the quality of logistics service and enhance corporate competitiveness in logistics application.

As pallets might circulate in different geographic environments, pallet RFID tags might encounter harsh environments in the context of sea, railway and road transport and their surfaces, which might be covered by sand, dust, salt fog, oil, snow, ice and dirt, vulnerable to physical impact and vibration in the handling and transport operations, frequent ambient temperature changes and prolonged expose to sunlight and ultraviolet. Therefore, pallet RFID tags are expected to work normally under specific low and high temperatures, mechanical impact, random vibration, humidity, snow and rain, salt fog, sand, dust and other environments.

Along with the development of global supply chain management and pallet pooling system, pallets will circulate under different business models, transport modes, business processes, working arrangements and management requirements, involving different parties, applications of documents, working hours and places, which, in sharp contrast with traditional businesses, not only require data associated with RFID tags to change but also raise higher technical requirements for the entire application system.

RFID Tag Application Criteria for Pallet-2

2. Main Contents

General requirements; Functional and technical indicators; Code; Environmental adaptability; Security and management; Operating process; Extended application; Exception/Abnormality handling;

Annex A (Normative annex) Data item coding rules; Annex B (Normative annex) User area coding description; Annex C (Informative annex) Sample user area data item coding.

3. Main Function

The pallet RFID tag shall have the following functions

Identifying the tag and storing pallet information; Anti-counterfeiting ; Remarkable signs after being physically damaged; Safety assurance and protection in such physical aspects as resistance to distortion, falloff, impact, friction, corrosion, vibration and electromagnetic interference; Security assurance and protection in such electronic aspects as protection against data loss, data tampering and illegal access to data.

4. Air Interface

The air interface protocol of pallet RFID tags shall meet the applicable technical requirements of ISO/IEC 18000-6 (Type C)

Requirement on container consolidation services of international freight forwarders-1

1. Objective and Significance

Containerized transport is the most advanced modern mode of transport for cargo. It is safe, fast, easy and cost effective. It helps reduce the complexity of the transport process and allows multimodal transport through comprehensive utilization of various transport modes, including railways, roads, waterways and airways. Along with the development of containerized transport, consolidation services have become main lines of international freight forwarding business by not only helping to reduce transport costs and improving the logistical efficiencies, but also by providing service convenience to consignors. Further, attention to the container consolidation business process overall and establishing stricter requirements for quality of consolidation services are critically important to defining the rights, obligations and responsibilities of each party and mitigating risks.

Requirement on container consolidation services of international freight forwarders-2

2. Main Contents

Basic Service Quality Requirements; Evaluation and Selection of Service Suppliers; Risk Control of Bills of Lading/Waybills; Process Management for Export Business; Process Management for Import Business.

3. Risk Control of Bills of Lading/Waybills

The information in the bill of lading/waybill shall be clear and the terms shall be rigorous and consistent. The bill of lading/waybill shall be marked “original” related words .

International conventions, laws and regulations and clauses in the bill of lading/waybill issued by the actual carrier involved in all the passing countries or regions shall be researched. It shall not be stipulated in the bill of lading/waybill to undertake the obligations which are not stipulated in aforementioned international conventions, laws and regulations or clauses in the bill of lading/waybill issued by the actual carrier;

It shall not be stipulated to give up the rights granted by aforementioned international conventions, laws and regulations or clauses in the bill of lading/waybill issued by the actual carrier, such as the exemption from liability or limitation of liability.

The bill of lading/waybill shall be recorded necessarily in compliance with laws and regulations of all the passing countries or regions, especially of the shipment and destination country or region.

Code of preparation for international freight forwarding documents-1

1. Objective and Significance

As this document records critical data throughout the logistics process, it is an important medium for efficient circulation and transmission of logistics information as well as a necessary tool for business continuity between logistics participants. As a basic tool for trade logistics settlement, this document serves as evidence of contract performance, of exporters and trade logistics, as well as of stakeholders and may be used as basis for avoidance and resolution of disputes. The quality of this documentation relies on successful conduction of the trade logistics transaction process and manifestation of quality operations of the business.

2. Main Contents

Types of Relevant Documents; Specification and Style of Documents; Qualification; Principle of Preparing Documents; Basis of Preparing Documents; Procedures to Prepare Documents; Basic Requirement for Preparing Documents; Code of Preparing Documents; Examination and

Verification of Documents.

Code of preparation for international freight forwarding documents-2

3. Basic Requirement for Preparing Documents

Consistency between document names and those of L/C, i.e. the names of all documents shall be consistent with those stipulated in the Letter of Credit or contract (under the condition of non-L/C payment terms).

Consistency in goods descriptions, i.e. the goods descriptions in all documents, including names, specifications, packing details, partial shipment, transshipment, overshipment or undershipment, cost item, signature and seal, shall meet the specific requirements of the Letter of Credit or contract (under the condition of non-L/C payment terms).

Consistency in measurement units, i.e. the names of measurement units of goods in all documents shall be consistent with those stipulated in the Letter of Credit or contract (under the condition of non-L/C payment terms).

Consistency in shipping marks, i.e. the shipping marks indicated in all documents shall be consistent with those stipulated in the Letter of Credit or contract (under the condition of non-L/C payment terms). Besides, shipping marks shall be identical in all documents.

The date of issuing documents shall be reasonable. Dates of issuance in all documents shall not be in conflict with each other. In other words, dates of issuance in all documents shall meet the requirements of the Letter of Credit or

contract (under the condition of non-L/C payment terms).

Consistency in currency symbols and amounts, i.e. the currency symbols and amounts in all documents shall meet the requirements of the Letter of Credit or contract (under the condition of non-L/C payment terms). In addition, the currency symbols and amounts in all documents shall be consistent with and correspond with each other.

Coding rule for document and carrier identifier-1

1.Objective and Significance

With the growing of e-commerce, electronic information exchange has become a technical means necessary for business communication between international freight forwarding companies and their counterparties. Due to the absence of uniform rules for coding of numerous document identifiers and carrier identifiers in the international freight forwarding industry, company self-defined codes differ remarkably from each other, directly affecting and reducing the efficiency and effectiveness of document information exchange. The authenticity of documents and carrier are difficult to confirm, which increases the operating costs and risks. These standards have been formulated to specify industry-specific document identifiers and carrier identifiers and provide technical support and safeguards for document and carrier-related information exchange and sharing, business statistics, business management and transaction management.

Coding rule for document and carrier identifier-2

2. Main Contents

➤ Main contents of document identifier

Identifier Classification; Coding Rules; Definitions of Related Codes in Document Identifiers; Common Documents with Alphanumeric Identifiers Related to Freight Forwarding Business; Common Documents with Numerical Sequence Type Identifiers Related to Freight Forwarding Business.

➤ Main contents of carrier identifier

Terms, Definitions and Abbreviations; Code Structure and Coding Rule; Code Definitions; Position in Documents.

International freight forwarders standard trading conditions-1

1. Objective and Significance

This standard document is a format contract (or model contract) for parties to choose to use at their sole discretion. Parties may choose to use parts of the contract where applicable or choose to modify or waive the contract in part or in full through written negotiation. The contract is appropriately binding upon both parties if enacted, as outlined within the contract.

2. Main Contents

Application of These Conditions; Contractual Status of the Customer and the Company; Special Provisions concerning Containerized Transport; Charges; Warranties, Exceptions and Liability Limitation; Notice, Insurance and Time Bar; Dispute Resolution.

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International freight forwarders standard trading conditions-2

5 Application of These Conditions

This standard constitutes an integral part of the agreement between the Company and the Customer.

This standard may be modified or waived in part in writing by agreement between the Company and the Customer.

Where the clauses of the agreement between the Company and the Customer or the clauses of the transport documents issued by the Company, which includes but are not limited to air waybill, sea waybill, international through rail waybill and multi-modal bill of lading issued by the Company listing the Company as the carrier are contrary to the provisions of this standard, the clauses of the agreement or the bills shall prevail.

No omission or delay on the part of the Company in exercising its rights shall operate as a waiver thereof, nor shall any single or partial exercise by the Company of any such right

preclude the further or other exercises thereof or the exercise of any other right which it has.

The rights and remedies of the Company provided in this standard shall not be exclusive of any rights or remedies otherwise provided by law.

Each of the provisions of this standard is distinct from the others and if at any time one or more of such provisions is or becomes invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions of this standard shall not in any way be affected or impaired thereby.

Guideline on Transport Corridor Performance Measurement and Monitoring

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Thank you !