Professional Certificate in Supply Chain Logistics

Global Logistics and Trade Compliance

Global Logistics and Trade Compliance Glossary:

1. Bill of Lading (BOL):
A legal document issued by a carrier to a shipper that details the type, quantity, and destination of the goods being transported. It serves as both a receipt for the goods and a contract between the shipper and the carrier.

2. Certificate of Origin:
A document that certifies the country in which a product was manufactured. It is used for customs clearance and to determine whether preferential treatment under a trade agreement is applicable.

3. Customs Broker:
An individual or firm licensed by the government to facilitate the clearance of goods through customs. Customs brokers handle documentation, tariffs, duties, and taxes on behalf of importers and exporters.

4. Duty Drawback:
A refund of duties paid on imported goods that are subsequently exported or used in the manufacturing of other goods. Duty drawback helps companies reduce costs and remain competitive in global markets.

5. Freight Forwarder:
A company that organizes the shipment of goods from one point to another, typically by contracting with carriers such as ocean liners or airlines. Freight forwarders handle documentation, customs clearance, and transportation logistics.

6. Harmonized System (HS) Codes:
A standardized numerical system used to classify products for international trade. HS codes are essential for determining tariffs, duties, and other trade regulations on imported and exported goods.

7. Incoterms (International Commercial Terms):
A set of standardized trade terms published by the International Chamber of Commerce (ICC) that define the responsibilities of buyers and sellers in international transactions. Incoterms specify who is responsible for transportation, insurance, and customs clearance.

8. Letter of Credit (LC):
A financial instrument issued by a bank on behalf of a buyer that guarantees payment to a seller upon presentation of specified documents. Letters of credit reduce the risk of non-payment in international trade transactions.

9. NAFTA (North American Free Trade Agreement):
A trade agreement between the United States, Canada, and Mexico that eliminates tariffs on most goods

traded between the three countries. NAFTA promotes economic integration and facilitates cross-border trade.

10. Packing List:
A document that provides a detailed list of the contents, quantities, and packaging of a shipment. Packing lists are used by customs authorities, carriers, and consignees to verify the accuracy of the goods being transported.

11. Quota:
A limit on the quantity of a specific product that can be imported or exported within a given period. Quotas are used to protect domestic industries, regulate trade, and maintain a balance of payments.

12. Rules of Origin:
Criteria used to determine the country in which a product was produced or manufactured. Rules of origin are essential for applying preferential trade agreements, calculating tariffs, and preventing transshipment.

13. Tariff:
A tax imposed by a government on imported or exported goods. Tariffs are used to raise revenue, protect domestic industries, and regulate international trade.

14. Value Added Tax (VAT):
A consumption tax levied on the value added to a product at each stage of production and distribution. VAT is commonly used by many countries as a revenue source and to avoid cascading taxes.

15. World Trade Organization (WTO):
An international organization that regulates and facilitates trade between nations. The WTO establishes rules for trade agreements, resolves disputes, and promotes liberalization of global commerce.

16. X-Ray Inspection:
A security screening method used by customs authorities to inspect the contents of containers, packages, or vehicles. X-ray inspection helps detect contraband, illegal substances, and undeclared goods.

17. Yard Management System (YMS):
A software application that helps manage the movement and storage of goods within a warehouse or distribution center. YMS tracks inventory, optimizes space utilization, and improves operational efficiency.

18. Zone Skipping:
A logistics strategy that involves bypassing regional distribution centers and shipping goods directly to end customers. Zone skipping reduces transit times, transportation costs, and inventory holding requirements.

19. Advance Shipping Notice (ASN):
A notification sent by a supplier to a customer in advance of a shipment. ASNs provide detailed information about the contents, quantity, and expected delivery date of the goods, enabling efficient receiving and inventory management.

20. Brokerage Fee:
A fee charged by a customs broker for facilitating the clearance of goods through customs. Brokerage fees cover services such as document preparation, tariff classification, and compliance with trade regulations.

21. Carrier:
A company or individual responsible for transporting goods from one location to another. Carriers can include trucking companies, ocean carriers, airlines, and railroads that provide transportation services.

22. Dangerous Goods:
Products or substances that pose a risk to health, safety, property, or the environment during transportation. Dangerous goods are subject to strict regulations and must be properly classified, packaged, labeled, and handled.

23. Electronic Data Interchange (EDI):
A system for exchanging business documents electronically between trading partners. EDI enables the automated transfer of orders, invoices, shipping notices, and other transaction data, improving efficiency and accuracy.

24. Free Trade Agreement (FTA):
An agreement between two or more countries to reduce or eliminate tariffs, quotas, and other trade barriers on goods traded between them. FTAs promote economic cooperation and increase market access for exporters.

25. Global Supply Chain:
The network of interconnected organizations, resources, and activities involved in producing and delivering goods and services to customers worldwide. Global supply chains span multiple countries and continents, presenting unique challenges and opportunities.

26. Importer of Record (IOR):
The entity legally responsible for importing goods into a country and complying with customs regulations. Importers of record must ensure that imported products meet safety, quality, and labeling requirements.

27. Just-In-Time (JIT) Inventory:
A strategy for managing inventory levels by receiving goods only as they are needed in the production process. JIT inventory reduces carrying costs, minimizes waste, and improves supply chain efficiency.

28. Key Performance Indicator (KPI):
A quantifiable measure used to evaluate the performance of a supply chain, logistics operation, or trading partner. KPIs can include on-time delivery, inventory turnover, cost per order, and customer satisfaction.

29. Lead Time:
The time it takes for a product to move from the order placement to delivery to the customer. Lead time includes processing, production, transportation, and any delays that may occur along the supply chain.

30. Multimodal Transportation:

The use of multiple modes of transportation, such as truck, rail, air, and sea, to move goods from origin to destination. Multimodal transportation combines the strengths of each mode to optimize cost, speed, and reliability.

31. Non-Tariff Barrier:
A form of trade restriction other than tariffs, such as quotas, subsidies, product standards, or licensing requirements. Non-tariff barriers can hinder international trade and create market access challenges for exporters.

32. Overseeing Management System (OMS):
A software platform that helps manage and optimize order fulfillment processes, inventory control, and customer service. OMS integrates with warehouse management systems, transportation systems, and e-commerce platforms.

33. Pick and Pack:
The process of selecting items from inventory, packing them into customer orders, and preparing them for shipment. Pick and pack operations are critical for e-commerce fulfillment and direct-to-consumer distribution.

34. Quality Control (QC):
The process of ensuring that products meet specified quality standards and customer requirements. Quality control involves inspecting, testing, and monitoring products throughout the production and distribution process.

35. Risk Management:
The identification, assessment, and mitigation of potential risks that could impact supply chain operations or trade compliance. Risk management strategies aim to minimize disruptions, protect assets, and ensure business continuity.

36. Supply Chain Visibility:
The ability to track and monitor the movement of goods, information, and payments across the entire supply chain. Supply chain visibility provides real-time insights, improves decision-making, and enhances collaboration between partners.

37. Trade Compliance:
The adherence to laws, regulations, and best practices governing the import and export of goods. Trade compliance ensures that businesses operate legally, ethically, and efficiently in domestic and international markets.

38. Unified Cargo Processing (UCP):
A program that streamlines customs clearance procedures by combining the review of cargo and documentation from multiple government agencies. UCP reduces delays, paperwork, and costs associated with importing goods.

39. Vendor Managed Inventory (VMI):

A supply chain strategy in which the supplier is responsible for monitoring and replenishing the customer's inventory. VMI helps reduce stockouts, improve inventory turns, and strengthen collaboration between trading partners.

40. Warehouse Management System (WMS):
A software application that controls and optimizes the movement, storage, and tracking of goods within a warehouse. WMS enhances inventory accuracy, labor productivity, and order fulfillment efficiency.

41. Cross-Docking:
A logistics strategy that involves unloading goods from an inbound vehicle and loading them directly onto an outbound vehicle with minimal storage in between. Cross-docking reduces handling, storage, and transit times in distribution operations.

42. Duty Suspension:
A temporary exemption from paying duties on imported goods that are stored in a bonded warehouse or free trade zone. Duty suspension allows businesses to defer customs duties until the goods are released for domestic consumption.

43. Export License:
A government-issued authorization required for exporting certain products or technologies that are subject to export controls. Export licenses help ensure compliance with trade regulations and national security policies.

44. Freight Audit and Payment (FAP):
A service that verifies carrier invoices, audits freight charges, and processes payments on behalf of shippers. FAP services help reduce transportation costs, improve accuracy, and enhance visibility into freight spend.

45. Global Trade Management (GTM):
A software platform that automates and centralizes the management of international trade processes, compliance, and documentation. GTM solutions help companies navigate complex trade regulations, minimize risks, and optimize supply chain performance.

46. Incoterms 2020:
The latest revision of the International Commercial Terms published by the International Chamber of Commerce. Incoterms 2020 clarifies the responsibilities of buyers and sellers in international trade transactions and incorporates digital trade practices.

47. Just-In-Case Inventory:
A buffer stock of inventory held as a precaution against unexpected fluctuations in demand, supply disruptions, or lead time variability. Just-in-case inventory provides a safety net to prevent stockouts and maintain customer service levels.

48. Key Account Management (KAM):
A strategic approach to managing relationships with key customers or trading partners. KAM involves understanding customer needs, aligning solutions, and maximizing value to drive long-term growth and

profitability.

49. Lean Manufacturing:
A production philosophy focused on eliminating waste, improving efficiency, and maximizing value for customers. Lean principles, such as just-in-time production and continuous improvement, are applied to streamline operations and reduce costs.

50. Material Requirements Planning (MRP):
A computer-based system that calculates the materials needed for production based on demand forecasts, inventory levels, and lead times. MRP helps optimize inventory, scheduling, and resource allocation in manufacturing.

51. National Customs Brokers and Forwarders Association of America (NCBFAA):
A trade association representing customs brokers, freight forwarders, and other logistics service providers in the United States. The NCBFAA promotes education, advocacy, and professional standards in international trade.

52. Open Account Payment:
A method of payment in which the buyer pays for goods or services after receiving them, based on agreed-upon credit terms. Open account payment terms are common in international trade but carry risks of non-payment and currency fluctuations.

53. Performance Bond:
A financial guarantee provided by a supplier to ensure the timely delivery of goods or services and compliance with contractual obligations. Performance bonds protect buyers against supplier default or non-performance.

54. Quality Management System (QMS):
A set of policies, processes, and procedures designed to ensure that products or services meet customer requirements and regulatory standards. QMS focuses on continuous improvement, customer satisfaction, and risk mitigation.

55. Reverse Logistics:
The process of managing the return, disposal, or repurposing of products, materials, or components after they have been delivered to customers. Reverse logistics aims to minimize waste, recover value, and improve sustainability.

56. Strategic Sourcing:
A procurement strategy that focuses on optimizing supplier relationships, reducing costs, and mitigating risks across the supply chain. Strategic sourcing involves analyzing spend, negotiating contracts, and selecting suppliers based on performance criteria.

57. Total Cost of Ownership (TCO):
A comprehensive assessment of all costs associated with acquiring, using, and maintaining a product or service over its lifecycle. TCO analysis includes direct costs, indirect costs, and hidden costs to make

informed purchasing decisions.

58. Uniform Commercial Code (UCC):
A set of laws governing commercial transactions and sales of goods in the United States. The UCC standardizes rules related to contracts, warranties, payments, and remedies to promote consistency and fairness in business dealings.

59. Vendor Compliance:
The adherence of suppliers to a buyer's requirements, standards, and performance expectations. Vendor compliance programs help ensure product quality, on-time delivery, and regulatory compliance throughout the supply chain.

60. Warehouse Automation:
The use of technology, robotics, and smart systems to streamline and optimize warehouse operations. Warehouse automation improves efficiency, accuracy, and throughput in receiving, storage, picking, and shipping processes.

61. Zero Inventory:
A supply chain strategy that aims to minimize or eliminate the holding of inventory at any point in the production or distribution process. Zero inventory systems rely on efficient planning, real-time information, and agile manufacturing to meet customer demand.

62. Automated Export System (AES):
A secure electronic filing system used by exporters, carriers, and customs brokers to submit export data to the U.S. government. AES streamlines export documentation, compliance reporting, and enforcement of export control regulations.

63. Bonded Warehouse:
A facility authorized by customs authorities to store imported goods duty-free until they are released for domestic consumption. Bonded warehouses provide temporary storage, inventory control, and value-added services for importers.

64. Certificate of Compliance:
A document issued by a manufacturer or supplier certifying that a product meets specified standards, regulations, or customer requirements. Certificates of compliance are essential for demonstrating product quality and regulatory compliance in international trade.

65. Demand Planning:
The process of forecasting customer demand for products or services based on historical data, market trends, and business intelligence. Demand planning helps optimize inventory levels, production schedules, and supply chain efficiency.

66. Export Control Classification Number (ECCN):
A code used to classify and control the export of dual-use items, technologies, and software under the U.S. Export Administration Regulations (EAR). ECCNs determine licensing requirements, restrictions, and

reporting obligations for exporters.

67. Freight Consolidation:
A logistics practice that combines multiple shipments from different suppliers or customers into a single larger shipment for transportation. Freight consolidation reduces costs, improves efficiency, and minimizes environmental impact in distribution.

68. Global Trade Compliance (GTC):
The process of ensuring that businesses adhere to laws, regulations, and best practices governing international trade. GTC encompasses import and export controls, customs compliance, sanctions screening, and risk management in global supply chains.

69. Incoterms 2021:
The latest revision of the International Commercial Terms published by the International Chamber of Commerce. Incoterms 2021 updates trade rules for modern trade practices, digitalization, and sustainability initiatives in international transactions.

70. Just-In-Sequence (JIS) Delivery:
A supply chain strategy that involves delivering components or materials to a production line in the exact sequence required for assembly. JIS delivery minimizes inventory, reduces lead times, and improves production efficiency in automotive and manufacturing industries.

71. Key Risk Indicator (KRI):
A metric used to monitor and assess the likelihood and impact of risks that could affect supply chain operations or trade compliance. KRIs provide early warning signals, trigger corrective actions, and improve risk management effectiveness.

72. Logistics Service Provider (LSP):
A company that offers specialized logistics services, such as transportation, warehousing, distribution, and freight forwarding. LSPs help businesses optimize supply chain operations, reduce costs, and improve customer service levels.

73. Non-Disclosure Agreement (NDA):
A legal contract that prohibits parties from disclosing confidential information shared during business negotiations. NDAs protect intellectual property, trade secrets, and sensitive data in supplier relationships and international transactions.

74. Order Fulfillment:
The process of receiving, processing, and delivering customer orders accurately and on time. Order fulfillment involves inventory management, picking, packing, shipping, and customer service to meet customer expectations and drive satisfaction.

75. Product Lifecycle Management (PLM):
A software system that manages product data, design, development, and manufacturing processes throughout the product lifecycle. PLM integrates with supply chain systems to optimize product quality,

time-to-market, and profitability.

76. Quality Assurance (QA):
The process of ensuring that products or services meet specified quality standards, regulatory requirements, and customer expectations. QA includes inspections, audits, testing, and continuous improvement initiatives to drive excellence in manufacturing and supply chain operations.

77. Risk Assessment:
The evaluation of potential risks, vulnerabilities, and impacts that could affect supply chain operations or trade compliance. Risk assessments identify threats, assess likelihood and consequences, and prioritize mitigation strategies to enhance resilience and business continuity.

78. Supplier Relationship Management (SRM):
A strategic approach to managing relationships with key suppliers, vendors, and trading partners. SRM focuses on collaboration, value creation, risk mitigation, and performance improvement to drive innovation and competitive advantage in the supply chain.

79. Trade Facilitation:
Efforts to simplify, harmonize, and streamline customs procedures, documentation requirements, and border processes to expedite international trade. Trade facilitation initiatives aim to reduce costs, enhance efficiency, and promote economic growth by removing barriers to cross-border commerce.

80. Value Stream Mapping:
A visual tool used to analyze, map, and optimize the flow of materials, information, and activities in a value stream