
As a transportation expert, the freight forwarder can establish new transport routes, both uni- and multimodal networks, and attend to all transport negotiations and documentation. The freight forwarder rationalizes transport performance by producing better load factors for both shippers and carriers.

By its very nature, international freight forwarding is more complex than domestic forwarding. Freight forwarders can act as either principal or agent, offering complete door-to-door transportation services. Moreover, they are experts in handling overseas shipments, combining the services of all sectors of the domestic and foreign transportation industry. Importers and exporters turn to them regularly for advice and for services such as:

- full service documentation
- export packaging and container stuffing
- marine insurance
- letters of credit analysis and negotiation
- consolidation services
- deconsolidation services.

There are two kinds of international freight forwarder services: ocean freight forwarding and air freight forwarding. Both are represented in the Canadian International Freight Forwarders' Association (CIFFA), with approximately 100 regular and 60 associate members.

i. Ocean Freight Forwarders. Also known as "non-vessel owning" (NVO) carriers in Canada and "non-vessel operating common carriers" (NVOCC) in the U.S., these forwarders consolidate small shipments destined for the same port into full container loads.

In Canada, ocean freight forwarders often act as a principal for consolidated shipments. The bill of lading is issued between the forwarder and the carrier and shows the forwarder as shipper or consignee. The forwarder is also responsible for deconsolidation and distribution to consignees.

ii. Air Freight Forwarders. An air freight forwarder can act as agent or as principal of the shipper or consignee. To act as official airline agents, however, air freight forwarders must be registered with the International Air Transport Association (IATA).

As principal, the forwarder provides each shipper with a "house" bill of lading (the contract of carriage between itself and the shipper) and arranges for consolidation of various small shipments into airline-approved ULDs (airline containers), air transport, deconsolidation and final distribution. On the bill of lading issued between the forwarder and the air carrier, the forwarder is shown as shipper.

As agent, the air freight forwarder acts on behalf of the air carriers with whom it arranges flights and from whom it receives a commission for the international movement of freight (excluding Canada-U.S. transborder shipments). The carrier, not the forwarder, assumes liability for the shipment.

If dangerous goods are shipped, the forwarder may act only as agent. The consignor must certify the shipment and appear as shipper on the bill of lading.

The Canadian International Freight Forwarders' Association

Since its foundation in 1948, the Canadian International Freight Forwarders' Association (CIFFA), has endeavoured to establish and maintain international freight forwarding as a profession in Canada. CIFFA recently adopted standard trading conditions and established minimum liability insurance coverage, including errors and omissions, as conditions of membership.

The CIFFA standard trading conditions cover:

- the forwarder's role and responsibility;
- the customer's role and responsibility;
- the forwarder as agent;
- the forwarder as principal; and
- limits of liability.