

Specification of Competency Standards
for the Logistics Industry
Unit of Competency

Functional Area - Sales, Marketing and Customer Services

Title	Calculate commission and concession
Code	LOAFSM307B
Range	This unit of competency is applicable to airlines, air freight forwarders, etc. Practitioners should be capable to calculate the commission and concession as stated in the contract made between carriers and forwarding agents or that made between forwarders and customers.
Level	3
Credit	6 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Basic knowledge of commission and concession</p> <ul style="list-style-type: none"> • Understand the concepts of commission and concession • Understand the differences between legal and illegal commission and concession • Know about the functions and operation of different categories of freight forwarders • Understand the operation of the market at the level between airlines and freight forwarders, the level among freight forwarders and the level between freight forwarders and consigners • Understand the calculation of commission and the charging criteria under different business operation models • Understand the requirements of different countries or regions on commission or concession • Know about the concession in the industry, such as equalization, discounted rates, etc. <p>2. Calculation of commission and concession</p> <ul style="list-style-type: none"> • Calculate commission or appropriations between agents based on industry practice, trade association guidelines or the principles of contracts made between parties • Calculate relevant commission, profits and charges according to export or import agents' general practice or contract terms • Calculate rebate for low density cargo based on volume and weight • Calculate concession for equalization based on the contract between airlines and freight forwarders
Assessment Criteria	<p>The integrated outcome requirement of this unit of competency is:</p> <ul style="list-style-type: none"> • Capable to calculate various kinds of commission and concession according to contract terms or industry practice.
Remark	