

December 2020

## **Region Middle East: Payment Terms (Freight Prepaid and Freight Collect)**

Dear Customer,

Continuous improvement is our aim to serve you better. This includes the correct and timely preparation of invoices.

In order to avoid misunderstandings and resulting invoice corrections, we kindly ask you to:

- Add specific information regarding payment terms in the remarks field of your Shipping Instructions and stipulate precisely, particularly for Terminal Handling Charge Destination (THD) and Destination Land Freight (DLF), whether the charges shall be prepaid or collect – this will help us to ensure correct invoicing.
- Refrain from using INCO terms instead of payment terms in your Shipping Instructions.
- If you require ALL charges to be prepaid or collect, your SI must specifically indicate as such, including the word “ALL” accordingly.

Unless otherwise specified by you or as indicated by any specific country requirements, we would like to provide you with the Hapag-Lloyd Region Middle East standard definitions of the terms “freight prepaid” and “freight collect”.

### **Freight Prepaid**

All charges are prepaid excluding Terminal Handling Destination and Destination Land Freight related charges

Origin Land Freight	}	<b>Prepaid</b>
Terminal Handling Origin		
Sea Freight		
Terminal Handling Destination	}	<b>Collect</b>
Destination Land Freight		

### **Freight Collect**

All charges are collect excluding Origin Land Freight and Terminal Handling Origin related charges

Origin Land Freight	}	<b>Prepaid</b>
Terminal Handling Origin		
Sea Freight	}	<b>Collect</b>
Terminal Handling Destination		
Destination Land Freight		

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Ancillary charges at origin applied to the bill of lading will default as prepaid unless otherwise requested and approved.

Country specific information needs to be observed. The above handling will apply unless the respective country rules and regulations specify otherwise.

As a general guideline, our standard process also dictates that prepaid charges will be invoiced to the origin customer and booking party of record. Collect charges are invoiced at destination to the consignee (or to the notify party in case of a “to order” shipment).

According to these definitions, charges will be invoiced as prepaid to the booking party or collect to the consignee. If payment is to be made outside of the origin and destination of the shipment, this should be referred to as “elsewhere payment” and your instructions should read “elsewhere + the location + payer name and address”.

In case you have any deviations from this standard, it will be necessary to state them clearly in your shipping instructions.

Your support in this matter is much appreciated and will assist in providing a better service to you.

In case of further questions on the above, please do not hesitate to contact your local Hapag-Lloyd Customer Service office.

**Specific Country Information for Countries of the Middle East and India Subcontinent on next pages.**

Country	Payment Terms in conflict with RME general guidelines
<b>Bahrain</b>	Freight collect is only possible if prior approval has been obtained from the destination office.
<b>Bangladesh</b>	<p>Either Prepaid or Collect acceptable : EXP or Encashment certificate must be provided at settlement of freight.</p> <p>As long as Sea freight is paid in Bangladesh, THC + other charges listed below <b>MUST</b> be lumped into SEA.</p> <p>If freight is <b>NOT</b> paid in Bangladesh, surcharges may be charged on subject to basis. Please see below scenario(s).</p> <p>THD/EMF/SEC/OAD/DLF/ADD (Imports into BDCGP) : should be paid together with SEA. if SEA is Prepaid, they should be paid at origin or elsewhere prepaid payer.</p> <p>THO/SMD/SEC (Exports from BDCGP) : should be paid together with SEA. if SEA is collect, they should be paid at destination or elsewhere collect payer.</p> <p>Payment term different from SEA is not acceptable.</p> <p>Port storage (STD) : For ICD - Dhaka destined imports only. should be paid by Consignee(or, Collect payer)</p> <p>Import Doc Fee (DDF) : Always payable at POD.</p> <p>Export Doc Fee (MTD) : Always payable at POL.</p>
<b>India</b>	<p>Collect Terms accepted. For DLF, Destination Land Freight, and other local charges please follow:</p> <p>Customer declares DLF as Prepaid when submitting SI = DLF remains prepaid</p> <p>Customer declares DLF as collect when submitting SI = DLF remains collect.</p> <p>Nothing declared by the customer on SI = DLF follows freight terms.</p> <p>RHD can only be collected at destination.</p> <p>For cargo destined for <b>Nepal</b> (Kathmandu &amp; Birgang/Biratnagar) - all charges should be <b>prepaid</b> only.</p>
<b>Iraq</b>	THD collect is only possible if prior approval has been obtained from the destination office.
<b>Jordan</b>	Freight collect is only possible if prior approval has been obtained from the destination office.
<b>Kuwait</b>	<p>Freight collect is only possible if prior approval has been obtained from the destination office.</p> <p>Approval is not required for Contracts / RA filed in Kuwait. All Import Local charges must be always on collect basis.</p>
<b>Maldives</b>	All charges prepaid with the exception of DDF which must be collect and EMF which can be set prepaid or collect.
<b>Oman</b>	Freight collect is only possible if prior approval has been obtained from the destination office.

<b>Country</b>	<b>Payment Terms in conflict with RME general guidelines</b>
<b>Pakistan</b>	<p>Freight term Prepaid for all shipments for destination Pakistan unless acceptance from HL Middle East for Collect Shipments. Please note all Refrigerated Cargo, Wastepaper, Personal Effects, Perishable cargo, low value cargo, Scrap cargo, Used Clothing, Used Tyres and shipments to Afghanistan must be Freight prepaid always. DLF should also be set prepaid if applicable due to an on-carriage movement.</p>
<b>Qatar</b>	<p>Freight collect is only possible if prior approval has been obtained from the destination office. Import Local charges must be always on collect basis.</p>
<b>Saudi Arabia</b>	<p>Freight term Prepaid for all shipments for destination Saudi Arabia unless acceptance from destination office for Collect Shipments. Please note all Reefer shipment must be prepaid. Terminal Handling (THO/THD) Cannot be collected in Saudi Arabia.</p> <p>DDF, PDO &amp; RHD are local charges and payment term must be always 'Collect'. In case of Place of Delivery Riyadh; when freight is prepaid, DLF &amp; HDL must be prepaid. DLF and HDL alone not possible to collect at destination.</p> <p>CEX (customs examination fee) applicable for all SARUH (Riyadh) units, must be collect. Do not change it to prepaid after retrieval. GFD (Gate Fee at Destination) is applicable for all units being discharged at Saudi Arabia as Imports.</p>
<b>Sri Lanka (incl. Male)</b>	<p><b>Sri Lanka</b></p> <p>For all export and import shipments – Sri Lanka's THO, THD, MTD, EMF cannot be charged.</p> <p>Seal Fee (SEC) remains chargeable for exports from Sri Lanka. However, if the SEA Freight is payable at Origin, the SEC also should be collected at the origin office.</p> <p><b>Male</b></p> <p>All charges which includes freight must be prepaid.</p>
<b>United Arab Emirates</b>	<p>Freight collect is only possible if prior approval has been obtained from the destination office.</p> <p>FAC – Forwarding Agent Commission “Not applicable for Arabian Gulf Countries, should be always prepaid for all import shipments”.</p> <p>If consignee is UAE ARMED FORCES (GHQ) All charges should be prepaid at POL.</p> <p>RLB - EQUIPMENT INSPECTION FEE will be billed as collect charges and cannot be made part of ALL IN (Lump sum) Freight.</p>

<b>Country</b>	<b>Payment Terms in conflict with RME general guidelines</b>
<b>Yemen</b>	<p>ALL surcharges including ARC, WRS, CSF, CGD, MFR where applicable to imports into Yemen must be paid by Shippers (prepaid). THD charge is never collected from the Consignee at destination and if not inclusive in Freight needs to be updated as PREPAID.</p> <p>In case shippers request surcharges or freight to be collect in Yemen, then the origin must contact destination agents in Yemen with details of the cargo (commodity) and consignee details so that Yemen agents can check and revert if acceptable or not.</p>