

FONASBA MEMBERSHIP ENQUIRY



ENQUIRY RESPONSE FORM

ORIGINATING ASSOCIATION:	FENAMAR - Brazil
<p>ENQUIRY DETAILS: <i>Ship agents in Brazil are being pressured by some third party financial service providers (3PFSP's) to accept payment for disbursements in local currency, in spite of a long-standing custom that they are requested by, and should be paid to, the agent in US Dollars. (Under Brazilian mercantile law, payment of disbursements in US currency confirms the export status of the voyage and therefore brings tax benefits). We would therefore like to know from FONASBA members:</i></p>	<ol style="list-style-type: none"> 1. <i>Do your members normally receive inward payment for disbursements from 3PFSP's in local currency or another currency, e.g. US Dollars? (If all payments are received in local currency, there is no need to answer the subsequent questions).</i> 2. <i>If that payment is normally made in another currency, have your members received any advice or notification from 3PFSP's that they intend to move to making payment in local currency? If so:</i> 3. <i>Are there any negative implications for your members in receiving payment in local currency?</i> 4. <i>Are you aware of any reaction from ship owners to the decision to remit payments to agents in local currency?</i>
REPLY TO:	admin@fonasba.com
COPY REPLY TO:	
CLOSING DATE FOR REPLIES:	Friday 19th August

RESPONDING ASSOCIATION COMMENTS: (Please include any attachments)

ASSOCIATION	RESPONSE
Angola	<ol style="list-style-type: none"> 1. In Angola all payments are made in local currency against US Dollars based tariffs. Funding, where received by principals relating to ship calls, is normally calculated and made in USD. 2. No. 3. The Angolan kwanza is not tradeable outside the borders of Angola. 4. Not applicable.

Argentina	<ol style="list-style-type: none"> 1. The disbursements are received in US Dollars exclusively. 2. No. 3. It is not possible as long as most services are invoiced in US Dollars. 4. No.
Belgium	<p>As a general rule:</p> <ul style="list-style-type: none"> • All pro forma disbursement accounts are issued in Euros (local currency in the EU) • All final disbursement accounts are paid in the same currency as the pro forma D/A, i.e in Euros. <p>This is the case for 99.9% of all disbursement accounts. If the 3PFSP wishes to use another currency such as US Dollars, this would be an exception to the general rule, and only on a case by case basis upon explicit agreement from the agent.</p>
Bulgaria	<ol style="list-style-type: none"> 1) Usually disbursements in Bulgaria are received by our members in Euro (or in rare cases in USD). The disbursements usually also include a transaction (exchange-rate) fee as well. 2) No, our members haven't received advice/notification from third parties financial services that they intend to move to making payment in BGN. 3) N/A due to answer for 2). However there is a fixed exchange rate between the EUR and BGN and as above - usually disbursements take into account the exchange rate. 4) N/A
Croatia	<ol style="list-style-type: none"> 1. Inward payments normally received in Euros or US Dollars and not in local currency. All vendors' tariffs are expressed in Euros or US Dollars. 2. No 3. No 4. No
Cyprus	<ol style="list-style-type: none"> 1. In Cyprus the inward payments are affected in Euro at the rate of exchange the day that vessels arrive at the port. 2. All payments to the ship-owners by their local Agents are made in Dollars.
Denmark	<ol style="list-style-type: none"> 1. In Denmark, we recommend our members to issue both D/A and request payment in Danish Kroner in order to avoid loss on exchanges which in some cases can be rather substantial. The majority follow this recommendation unless other agreements are made with the principal. It is also our recommendation not to discuss matters like this with third

	<p>party financial service providers but only with the principals who are considered as contractual partners.</p> <ol style="list-style-type: none"> 2. We have not received any particular information in this respect. 3. There are no implications in case payment is received in our local currency (DKK). 4. So far we have not heard any reports from our members. Upon talking to one of our big agency members, they informed us that they insist to receive DKK at least on advanced payments.
Dubai	Payments are in local currency.
France	<ol style="list-style-type: none"> 1. It can be received in local currency or in US Dollars. 2. Not always. 3. No. 4. No.
Germany	<ol style="list-style-type: none"> 1. Normally in Euros, with the exception of cash to master which could be advanced in other currencies as requested. 3. No, the international status of the voyage (and the exemption from the VAT legislation) is not affected by the currency.
Great Britain	The normal practice is to receive payments in local currency.
Hungary	<ol style="list-style-type: none"> 1. Received in local currency or in Euros. 2. No. 3. No. 4. No, but we are aware that the majority prefer Euros.
Israel	<ol style="list-style-type: none"> 1) Both payment systems are used in Israel, namely, payments in local currency and in Foreign Currency, mainly in USD. The agents prefer the payments in USD a fact which avoids mutual discussions with their customers on the USD:ISRAELI SHEKEL rate of exchange. 2) Recently there are pressures of Customers Associations on the utilization of the above-mentioned rate of Exchange used by shipping agents. Therefore the Shipping agents prefer payments in Foreign Currencies, mainly USD. 3) As previously mentioned there are discussions on the level of the ROE. 4) The reply to this question is negative. We are not aware of any reactions of Ship Owners to the fact that agents receive Disbursement Payments in Local Currency. The owners obtain their Disbursement Payments mainly in USD.
Italy	Yes, our members normally receive PDA's from 3PFSF's in Euro.

Japan	Yes. Ship's expenses are charged in local currency and reflected in PDA. If the owner insists to payment in US Dollars, the agent will convert it into the equivalent amount in USD and apply the Telegraphic Transfer Selling rate, one working day before the ships arrival. Incidental banking account chargers are accounted to the owners.
Kenya	<ol style="list-style-type: none"> 1. Inward payments are received in US Dollars. 2. No. 3. Yes, fluctuation of the currency. 4. No.
Malta	<ol style="list-style-type: none"> 1) More than 95 % of payments received are in local currency. 2) No Advice or notification received from 3PRSP 3) No negative implications 4) No reaction from Ship Owners
Morocco	In response to the question of our colleagues in Brazil, and in the case of Morocco, the shipping agents receive always the payments of disbursements in foreign currency (Generally in Euro or US Dollar). This procedure generally applied at the international level has benefits (foreign exchange inflows) and positive impact on foreign trade.
The Netherlands	In almost all cases, disbursements are billed and received in local currency (Euros). Cash to master can, however, be provided in any currency as requested by the Principal.
Philippines	The 3PFSP most common to Philippine agents do not require port disbursement remittance in local currency.
Poland	<ol style="list-style-type: none"> 1. Mainly in Euros but transfers can also be made in other currencies 2. No such notification appeared 3. No 4. No, we are not
Portugal	<ol style="list-style-type: none"> 1. In Portugal, we receive all funds in advance in the local currency of Euros. 2. Yes, usually some companies outside Europe have local and regional offices to proceed with transfers in Euros. Whenever funds are transferred in US Dollars, they're converted in local currency - we only consider the amount credited in our accounts (Euros) and before any payments. 3. None. 4. None.
Russia	Normally all payments are made in local currency (roubles).
Slovenia	<ol style="list-style-type: none"> 1. Yes, in USD or EUR and other convertible money 2. If receiving payment in USD or other convertible money, we have to change in EUR, which is our local currency, costs are

	<p>on Owners account (difference is exchange rate + commission)</p> <p>3. Exchange rate and commission Owners are paying 99 % in EUR</p>
South Africa	<p>1. You may be paid in either currency</p> <p>2. Not that we are aware of, but it would only be appropriate to do so in case this is problematic for the agent</p> <p>3. Generally agents will invoice in USD to be paid in USD</p> <p>4. Not that we are aware of</p>
Spain	<p>1. Mainly in Euros (local currency) but also in US Dollars</p> <p>2. No news in the association</p> <p>4. No news</p>
Sweden	<p>So far as we are aware, all payments are made in local currency, Swedish krona</p>
Turkey	<p>1. In Turkey, all tariffs are coming into currency as USD and Euros. For instance, pilotage, light dues etc., are in USD but agency tariffs are in Euros. Some are paid in Turkish Lira. In such a case, all third parties should use local currency for invoicing companies. However, we should use USD or Euro in all final disbursements account to owner and using commercial rate in order not to lose exchange rates.</p> <p>2. If that payment is normally made in another currency, have your members received any advice or notification from 3PFSP's that they intend to move to making payment in local currency? If so, NO, because all of our payments are received in Euros or USD.</p> <p>3. N/A</p> <p>4. No as all our payments are requested in Euros or USD.</p>
United States of America	<p>In the USA our members receive in US Dollars. One international agent reported that offices in the Caribbean are being pressured to accept payment in local currency, however at this time they have not agreed to do so.</p>