# **Schedule 4 – Billing**

1. Charging Principles
	1. Charges for the Services provided under the Reference Offer by the Access Provider (including any Charges for the installation of any equipment, apparatus, or other material in relation to the Services as well as any chargeable activity or work conducted by the Access Provider under the terms of the Agreement) will be invoiced and paid according to the principles and procedures defined in this Schedule 4 – Billing, unless different principles and procedure are otherwise specified in the specific Service Description and respective Operations Manual.
	2. Payment of undisputed amounts in any invoice is fundamental to the provisioning of Services by the Access Provider to the Access Seeker. Any failure to pay such undisputed amounts by the Access Seeker in accordance with the Billing Period (as further defined below) will be considered as a material breach of the Reference Offer.
2. Charging and invoicing
	1. The Access Provider (the **Billing Party**) shall invoice the Access Seeker (the “**Billed Party**”) for Services in accordance with the rates, principles or mechanisms for the calculation of the amount of Charges as set out in this Schedule and in Schedule 3 – (Pricing), or any other Charges applicable to the specific Services which may be set out in the Service Descriptions, of the Reference Offer.
	2. or a Connection, as applicable.
3. Billing for Recurring Charges
	1. Unless mutually agreed otherwise, recurring charges for Services will be payable in advance on a monthly basis (the “**Billing Period”**). Charges for the first month in which a Service is supplied to the Access Seeker shall be pro-rated from the relevant RFS Date to the end of the first month in which the RFS Date occurred.
	2. The Billing Party shall use its reasonable endeavours to issue to the Billed Party during the Calendar Month preceding the commencement of each Billing Period, an Invoice in electronic form (i.e. PDF or another form as may be agreed in writing by the Parties from time to time).
4. Billing for Non-Recurring and other Charges
	1. Invoice will be sent within 30 Calendar Days from the RFS Date for the respective Service.
	2. The Non-Recurring or Additional or other Charges related to services supplied or any activity or work provided by the Access Provider to the Access Seeker, shall be invoiced within 30 Calendar Days of all services supplied, activities completed and/ or, where applicable, handed over to the Access Seeker, in the preceding month.
	3. The Charges that are payable by the Access Seeker due to termination, cessation or cancellation of a particular Service, shall be invoiced and payable upon occurrence of each such event which gives rise to such payment obligation. The Access Provider shall provide the Access Seeker with an Invoice for payment within 30 Calendar Days following occurrence of any such event.
5. Billing in case of Service Order suspension
	1. The Access Seeker shall be entitled to request in writing to the Access Provider to suspend processing of particular Service Order (and the delivery of the specific Service covered by it) following its submission to the Access Provider provided that:
		1. The request for suspension in writing reaches the Access Provider before the relevant RFS Date; and
		2. The period of suspension does not exceed two months; and
		3. The request for suspension in relation to a particular Service Order or any Connection covered by it can be made only once.
	2. Any Service Order suspended for the period that does not exceed two months pursuant to Clause 5.1 above shall not be, during such suspension period, subject to any Charges provided that the Access Seeker, prior to the expiry of such suspension period, requests in writing the Access Provider to complete the Service Order and activate the relevant Service. Billing of the Service Order shall begin on the relevant RFS Date.
	3. During the suspension, the Access Seeker may decide to cancel the Service Order completely, in which case the Access Seeker shall submit a Cancellation Request in writing to the Access Provider before the expiry of the suspension period of two months. Such cancellation will be subject to the corresponding Cancellation Charge as stipulated in Schedule 3 – (Pricing).
	4. In case the Access Seeker fails to submit a written request to complete the delivery of the Service Order suspended pursuant to Clause 5.1 above or a Cancellation Request as per Clause 5.3 above, prior to the expiry of the suspension period, the Service Order shall be deemed cancelled and the Access Seeker shall be obliged to pay (i) the cost incurred by the Access Provider in processing the Service Order until that date and (ii) the amount corresponding to the relevant monthly recurring Charge for two (2) months.

1. Issuing Invoices
	1. The Billing Party shall provide the Billed Party with an invoice setting out the Charges payable by the Billed Party in respect of that Billing Period (an “**Invoice”**).
	2. Unless mutually agreed otherwise, the Billing Party shall deliver each Invoice by e-mail to the Billed Party’s Billing Representative. Upon receiving an Invoice, the Billed Party’s Billing Representative shall confirm receipt by e-mail to the Billing Party’s Billing Representative within maximum five (5) Working Days.
	3. The Billing Party shall ensure that:
		* 1. all amounts in an Invoice are stated in Bahraini Dinars;
			2. all Invoices set out the following information:
			3. the invoice unique reference number;
			4. the name and address of the Billing Party;
			5. the Due Date for payment and the amount due; and
			6. sufficient information to enable the Billed Party to verify the amount of the Charges specified in the Invoice, including an itemised breakdown of the individual Services and Charges covered by the Invoice.

An Invoice cannot be rejected for formatting reasons, if all information above is provided in the Invoice.

1. Payment
	1. The Billed Party must pay the amount mentioned on each Invoice within thirty (30) Calendar Days after the Due Date, irrespective of where an Invoice is subject to a Billing Dispute.
	2. All payments must be:
		* 1. paid by electronic funds transfer directly to the nominated account of the Billing party, or such other means as may be agreed by the parties; and
			2. paid without any set‐off or counter‐claim and free of any withholding or deduction, unless otherwise agreed by the parties in writing.
	3. Payments are deemed to be received on the date the electronic funds are cleared in the Billing Party’s bank account, unless the payment is subsequently dishonoured, in which case payment is deemed not to have been received until cleared funds are received by the Billing Party that are net of any associated bank charges or transfer fees, together with any dishonour fees and other related charges.
2. Late Payment Charge
	1. If the Billed Party fails to pay an Invoice (or part of it) by the Due Date, the Billing Party shall charge the Billed Party daily compounding interest on the overdue amount for each day after the Due Date until and including the date of actual payment, at a rate which is five percentage points above the base rate in effect during each day interest is charged (“**Late Payment Charge”**). The base rate for these purposes shall be the interest rate set by the Central Bank of Bahrain for lending to other banks in the Kingdom.[[1]](#footnote-1)
	2. A Late Payment Charge:
		* 1. shall be payable by the Billed Party if an Invoice (or part of it) is subject to a Billing Dispute and the disputed amount is determined to have been correctly included in the Invoice; and
			2. shall not be payable by the Billed Party if the Invoice (or part of it) is subject to a Billing Dispute and the disputed amount is determined to have been incorrectly included in the Invoice.
	3. The Billing Party shall include a Late Payment Charge in the Invoice for the Billing Period that immediately follows the Billing Period that was the subject of the late payment or in a later Invoice, except where the Invoice (or part of the Invoice) that remains unpaid is subject to a Billing Dispute, in which case the Billing Party shall include the Late Payment Charge in the Invoice for the Billing Period following a resolution that the disputed amount was correctly included in the disputed Invoice.
	4. In addition to charging a Late Payment Charge in accordance with this Schedule 4 (Billing) or exercising any other rights the Billing Party may have under this Agreement or at law, where the amount of any Invoice in respect of which no Billing Dispute is raised, is outstanding and remains unpaid for more than thirty (30) Calendar Days after the Due Date, the Billing Party reserves the right to take action, upon notice to the Invoiced Party, to recover any such amount as a debt due to the Invoicing Party.
3. Overpayment
	1. If the Billed Party makes an overpayment in error, it shall notify the Billing Party within thirty (30) Working Days after the date of the overpayment with sufficient details for the Billing Party to identify and verify the overpayment, including the invoice number, the amount that should have been paid and the reason for the overpayment.
	2. The Billing Party shall, acting reasonably and in good faith, verify the overpayment within thirty (30) Working Days after receipt of notice of overpayment, and shall refund the overpaid amount to the Billed Party within thirty (30) Working Days after the date of verification of the overpayment.
4. Billing Disputes
	1. A Party raising a Billing Dispute shall serve on the other Party a Billing Dispute Notice.
	2. A Billing Dispute Notice shall specify:
		* 1. details of the amounts in dispute, including a copy of any records that the Party is relying on to support its claims;
			2. an explanation or the reasons that the amounts are disputed; and
			3. sufficient information for the other Party to properly assess the disputed amounts.
	3. The Parties and in particular the Billing Representatives shall use best endeavours to resolve a Billing Dispute within thirty (30) Working Days after the date of receipt of the Billing Dispute Notice, or such other period that may be agreed by the Parties.
	4. If the Parties are unable to resolve a Billing Dispute within thirty (30) Working Days after the date of receipt of the Billing Dispute Notice (or such other period that is agreed between the Parties), the Billing Dispute shall be escalated for resolution by representatives of each Party that have the authority to settle the Billing Dispute (such representatives to be at a higher level of management than the Billing Representatives). The designated representatives must meet as often as they reasonably deem necessary to discuss the Billing Dispute and negotiate in good faith in an effort to resolve that Billing Dispute. Each Party must meet all reasonable requests for relevant information received from the other Party during these negotiations to assist with the resolution of the Billing Dispute.
	5. If a Billing Dispute is not resolved within twenty (20) Working Days of the date of escalation, either Party may, by written notice to the other Party, request referral of the matter to an independent qualified accountant (“**Billing Expert”**) to investigate the source of the discrepancy and reach an equitable solution.
	6. If the Parties agree to such a referral:
		1. the Billing Expert to be engaged shall be mutually agreed between the Parties prior to engagement;
		2. the Parties shall procure that the Billing Expert resolve the Billing Dispute within twenty (20) Working Days of being appointed or as otherwise agreed;
		3. the findings of the Billing Expert shall be binding on both Parties; and
		4. the Parties shall each bear half the costs of the Billing Expert.
	7. Billing Disputes may not be referred for resolution in accordance with the Dispute Resolution Procedures.
	8. If the Billing Dispute is resolved:
		* 1. against the Billed Party, the Billed Party shall pay any outstanding disputed amount to the Billing Party within thirty (30) Working Days after the date of resolution of the Billing Dispute; or
			2. in favour of the Billed Party, the Billing Party shall refund any disputed amount previously paid by the Billed Party to the Billing Party within thirty (30) Working Days after the date of resolution, plus any Late Payment Charge previously paid by the Billed Party.
	9. Nothing in this clause 5, except clause 9.7, limits any rights or remedies which may be enforced by a Party in connection with a Billing Dispute at law or otherwise.
5. VAT
	1. Unless expressly stated to the contrary and/or otherwise provided in this Agreement, any amounts payable by one Party to the other Party shall be exclusive of any tax, including the VAT;
	2. If a Party wishes to charge the other Party VAT on a supply, it must first provide to the other Party its tax registration number and (if requested) a copy of its VAT registration certificate. If at any time one Party ceases to be registered for VAT, it must notify the other Party immediately;
	3. Where VAT is payable by one Party under this Agreement, the consideration for the supply (VAT exclusive) shall be increased by an amount equal to the amount of VAT applicable at the prevailing rate at the time the supply is made (the “VAT Amount”);
	4. Where one Party makes a taxable supply or deemed supply of goods or services to the other Party, the other Party shall pay the VAT in addition to the payment or other consideration for that supply on the earlier of: (a) when the payment or other consideration is made; or (b) when the supply is made. The Party making the taxable supply or deemed supply of goods or services shall issue to the other Party a valid VAT invoice;
	5. If this Agreement allows for termination where one Party fails to pay what is due to the other Party, this shall include the invoiced amount plus the VAT Amount that will be payable on that sum due in accordance with this Agreement;
	6. Where the consideration for any taxable supply of goods or services is adjusted, the Parties will make all appropriate adjustments to the corresponding VAT, including the repayment of VAT, the further payment of VAT and the issue of any credit note or further VAT invoice valid for VAT purposes;
	7. If the Parties are in dispute (with each other or with the relevant tax authority) or uncertain about the VAT obligations or implications of any supplies of goods or services pursuant to this Agreement, or the relevant tax authority determines that the Parties' treatment of VAT on such supplies is incorrect in any respect, the Parties shall use all reasonable endeavours to cooperate and reach agreement with each other and with the tax authority keeping each other fully informed and shall make all appropriate adjustments;
	8. If one party (“Payer”) has paid VAT to the other party (“Payee”) but, as the direct result of the non-compliance by the Payee with the applicable VAT law (including, without limitation, by reason of any error or omission, failure to register for VAT, or a defective VAT invoice), VAT is not recoverable by the Payer who has paid in full as input tax (the “Irrecoverable VAT”), the Payee will indemnify the Payer as soon as reasonably practicable for the irrecoverable VAT, and any direct reasonable costs and expenses (the “Direct Costs”, together with the irrevocable VAT, the “Losses”), unless the Losses result primarily from the negligence of the Payer or the grounds on which VAT cannot be recovered are disputed. The Payer shall keep the Direct Costs to a minimum and the Direct Costs shall be evidenced in writing. Immediately after the Payer becomes aware that VAT is not recoverable for the reason aforementioned, the Payer shall give notice in writing to the Payee of the matter, setting out the full details (including the grounds on which VAT cannot be recovered and the amount of the Irrevocable Costs and an estimate of the Direct Costs.
1. https://www.cbb.gov.bh/facilities-interest-rates/ [↑](#footnote-ref-1)