

Stichting Max Havelaar – the Netherlands

Appendix 4: Sales Reporting, Licence Fee and Payment

Fee 2020

1. Licence Fee: based on a report to the Trade Auditing Body the LI will send the Licensee an invoice for the Licence Fee. The LI is entitled to invoice an advance payment per quarter.
2. Invoicing will be done by quarter.
3. The invoice must be paid within 30 days.
4. Quarterly reports have to be submitted within 30 days after the end of the quarter. For all reports submitted after this period the LI will charge the Licensee a fixed amount of € 20- per day. For those Licensees submitting their report in time an incentive of € 20- will be deducted of the total licence fee payment.
5. Licence Fees for the Product(s) covered by the Contract:

Sector	Product Group	Product Line	Category	Fee	Fee Type	Unit	
Food	Alcoholic Beverages	Beer & Spirits		2,25%	value-based	Euro	
		Wine		€ 0,12	volume-based	Litres	
	Appetizers, Nuts and Dried Fruits			2,25%	value-based	Euro	
	Chocolate, Biscuits and Confectionery			2,25%	value-based	Euro	
	Cold Beverages			2,25%	value-based	Euro	
	Desserts, Cakes and Ice-creams			2,25%	value-based	Euro	
	Fresh Fruits and Vegetables			€ 0,03	volume-based	Kilograms	
	Hot Beverages	Hot Coffee	Coffee		€ 0,20	volume-based	Kilograms
			Instant coffee		€ 0,20	volume-based	Kilograms
			Hot mix beverages		2,25%	value-based	Euro
			Tea and Herbal Tea		€ 0,42	volume-based	Kilograms
	Jams, Honey and Spreads	Jams & Spreads			2,25%	value-based	Euro
		Honey			€ 0,16	volume-based	Kilograms
	Rice, Pasta and Ready-prepared food	Composite Products			2,25%	value-based	Euro
Rice & Grains				€ 0,08	volume-based	Kilograms	
Spices, Seasoning and Cooking aids				2,25%	value-based	Euro	
Sugar and sweeteners				€ 0,06	volume-based	Kilograms	
Non Food	Cosmetics			2%	value-based	Euro	
	Flowers			€ 0,0068	volume-based	Stems	
	Plants			2,25%	value-based	Euro	
	Young plants			1,00%	value-based	Euro	
	Sportsballs			2%	value-based	Euro	
	Textile			2%	value-based	Euro	
	Carbon Credits				3,50%	FCC Minimum price	Euro

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The Licence Fee is exclusive of VAT and payable for the quantity of Product sold in kilos (excluding the weight of the packaging) or wholesale value.

The Licence Fee per kilo/liter is adjusted annually, effective 1 January, based on the consumer price index (CPI), series relating to all families (deduced), of the past year as published by the Central Bureau of Statistics (CBS).

6. Certification fee:

Licensees need to be certified by FLOcert.

Small Licensees

For small Licensees the Certification Fee amounts to € 500 per annum or € 125,00 per quarter for new licensees (in the year they sign the Licence contract) and for licensees ending their contract.

Small Licensees are companies who comply with the criteria on <https://www.flocert.net/glossary/small-licensee-trader/> and have an annual global turnover (including non-Fairtrade activities) that does not exceed two million Euros. Small Licensees are only classified on request and must report financial statements annually.

This reduction ends when:

- The Licensee submits quarterly reports too late (article 4 of this appendix)
- The Licensee pays the invoices (for Licence Fee) too late (article 3 of this appendix 3)
- The Licensee is not providing or is too late with providing the information that is needed for inspections/audits.
- Audits show major non compliances from the Fairtrade Standards

Additional site/Sub contractors

For Additional site/Sub contractors the Certification Fee amounts to

Fairtrade Certification Fee: Additional entity (Cat. 1)	€ 340,00
Fairtrade Certification Fee: Additional entity (Cat. 2)	€ 115,00

Other licensees

CATEGORY CRITERIA
<p>Category 1 applies for customers which:</p> <ul style="list-style-type: none"> ▪ pay the minimum price and/or Fairtrade premium or act as conveyers of the Fairtrade price and/or premium (or) ▪ have more than 2 additional entities (or) ▪ manufacture composite products or trade with perishable products (fruits, flowers, etc.) (or) ▪ product or setup wise bring high complexity (or) ▪ benefit from exceptions (including systemic retroactive product certification) (or) ▪ were suspended or had, as a result of the last audit, a follow-up audit (or) ▪ had more than two major non-conformities at the last audit (or) ▪ are certified according to the Trader Corporate Certification (TCC) model (or) ▪ License fee > € 15.000 per year

Category 1: The Certification Fee for licensees with in category 1 amounts to € 1.650 per annum or € 412,50 per quarter for new licensees (in the year they sign the Licence contract) and for licensees ending their contract.

Category 2: For all other Licensees the Certification Fee amounts to € 1.000 per annum or € 250,00 per quarter for new licensees (in the year they sign the Licence contract) and for licensees ending their contract.

7. Flo-cert Fee : Licensees that are certified at Flo-cert do not need to pay the certification fee mentioned under point 6.
For dedicated Fairtraders (see definition below at point 9) the annual certification fee of FLO-cert will be refunded. The compensation can never be higher than the licence and certification fee paid to the LI.

8. Discount based on volumes

Licensees can get a discount on their Licence Fee for their sales in the Netherlands. The discount is based on the total Licence Fee, for sales in the Netherlands, per year and has the following thresholds:

Total Licence Fee per year	Discount %
€ 0 – 75.000	-
€ 75.000 – 150.000	25% discount on the amount above 75,000€
€ 150.000 – 225.000	50% discount on the amount above 150,000€
> € 225.000	75% discount on the amount above 225,000€

9. Discount for dedicated Fairtraders

Licensees, who comply with the following conditions, can apply for the discount mentioned below instead of the discount in the previous article.

Conditions:

- Over 90% of the relevant sales of the Licensee have to be realized by Products with the Certification Mark. Relevant sales means under the brands of the Licensee and in FLO product categories (for which FLO standards exist)
- Licensee is member of a fair trade network (IFAT, EFTA of NEWS)

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The discount is based on the total Licence Fee, for sales in the Netherlands, per year and has the following thresholds:

Total Licence Fee per year	Discount %
€ 0 – 75.000	30% discount
€ 75.000 – 150.000	30% (*) discount on the amount above 75,000€
€ 150.000 – 225.000	55% (*) discount on the amount above 150,000€
> € 225.000	80% (**) discount on the amount above 225,000€

(*) An additional 10% discount can be granted if a plan of innovation or producer support is approved by LI.

(**) An additional 5% discount can be granted if a plan of innovation or producer support is approved by LI.

Dedicated Fairtraders also receive a 30% discount on export.

10. As mentioned in appendix 6, the Trade Audit Body will perform inspections. These are included in the licence fee. However, if a Licensee cancels an announced inspection later than 10 working days before the scheduled date of the inspection, the LI will charge € 650/day to the licensee.
11. On request of the LI the Licensee will send a confirmation letter for the reported sales figures during the period stated by the LI. This letter has to be signed by a legal representative.