

**Appendix 4: Sales Reporting, Licence Fee and Payment**

**Fee 2022**

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 in the Territory (excluding Switzerland):

Sector	Product Group	Product Line	Category	Fee	Fee Type	Unit
Food	Alcoholic Beverages	Beer & Spirits		2,25%	value-based	Euro
		Wine		€ 0,121	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			€ 0,0304	volume-based	Kilograms
	Hot Beverages	Hot Coffee	Coffee	€ 0,202	volume-based	Kilograms
			Instant coffee	€ 0,202	volume-based	Kilograms
		Hot mix beverages		2,25%	value-based	Euro
		Tea and Herbal Tea		€ 0,425	volume-based	Kilograms
	Jams, Honey and Spreads	Jams & Spreads		2,25%	value-based	Euro
		Honey		€ 0,162	volume-based	Kilograms
	Rice, Pasta and Ready-prepared food	Other categories		2,25%	value-based	Euro
		Grains, seeds and rice		€ 0,081	volume-based	Kilograms
Spices, Seasoning and Cooking aids			2,25%	value-based	Euro	
Sugar and sweeteners			€ 0,061	volume-based	Kilograms	
Non Food	Cosmetics			2,00%	value-based	Euro
	Flowers			€ 0,0069	volume-based	Stems
	Plants			2,25%	value-based	Euro
	Young plants			1,00%	value-based	Euro
	Sportsballs			2,00%	value-based	Euro
	Textile			2,00%	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<sup>1</sup>.

The Licence Fee per kilo/liter can be 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).

Delegation of fee payment: some Licensees delegate fee payment to their suppliers. In these cases the fee of the Hone NFO of the licensee apply, unless agreed otherwise.

6. Certification/verification fee during the transition period until 1 January 2023.

Not applicable for Minimum price and Premium Payers.

All Licensees need to have a valid certification or verification contract (for Licensees who only buy and sell consumer ready products) with FLOcert. The certification/verification fee will be invoiced 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.

### Additional site/Sub contractors

For Additional site/Sub contractors the Certification Fee amounts to

Fairtrade Certification Fee: Additional entity (Cat. 1)	€ 340,00/ 3 years
Fairtrade Certification Fee: Additional entity (Cat. 2)	€ 115,00/3 years

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<sup>1</sup> Turnover of Fairtrade products. For retailers selling consumer ready products to end consumer this is usually the purchase value of the Fairtrade products.

Other licensees

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

**Category 1:** The Certification/verification 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/verification 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. 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€

8. 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.

Condition:

- 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)

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

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€ 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.

9. 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.
10. 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.