

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

### **Fee 2018**

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. Late payment will be compensated by collection fees of €40 as well as an interest fee of 8% per year.
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 is entitled to charge the Licensee a fixed amount of € 20- per day.
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	€ 0,55	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
	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
	Fine Gold (24 carats)			€ 1.200	volume-based	Kilograms
	Fine Silver (999)			€25	volume-based	Kilogram
	Sportsballs			2%	value-based	Euro
	Textile			2%	value-based	Euro

Note: The fees above are valid for all countries of sale as set-out in Appendix 1 of the licence Contract except for Switzerland<sup>1</sup>.

The Licence Fee is exclusive of VAT and payable for the quantity of Product in volume (excluding the weight of the packaging) or value:

- “Fee-on-volume”: The fee-on-volume is the licence fee calculated as a fixed fee per kilogram/litre/stem/etc.
- “Fee-on-value”: The fee-on-value is the licence fee calculated as a percentage of the net sales value or net purchase value.

<sup>1</sup> The licence fees for Switzerland may differ from the general fees. If the Licensee wants to start selling into Switzerland, the Licensee must notify Fairtrade Norway in order to obtain the current Swiss licence fee for the relevant product.

- Sales value: For licensees selling their products to retailers, i.e. not selling directly to consumers, the license fee is calculated on the licensee's total sales of Fairtrade certified products.
- Purchase value: For licensees selling their products directly to consumers, the license fee is calculated on the licensee's total net purchase value of Fairtrade certified products.

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).

### Discount based on volumes

Licensees can get a discount on their Licence Fee for their **sales in Belgium**. The discount is based on the total Licence Fee, for sales in Belgium, 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€

### Discount for dedicated Fairtraders

Licensees, who comply with **one of** 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 Fairtrade product categories (for which Fairtrade standards exist)
- Licensee is member of a fair trade network (IFAT, EFTA of NEWS)

The discount is based on the total Licence Fee, for **sales in Belgium**, 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€ 10 % conditional* extra discount
€ 150.000 – 225.000	55% discount on the amount above 150,000€ 10 % conditional* extra discount
> € 225.000	80% discount on the amount above 225,000€ 5 % conditional* extra discount

**\* Conditions:**

1. a respectful and collaborative partnership, evaluated on a regular basis by NFO
2. discount is co-invested in joint projects/innovations.

Dedicated Fairtraders also receive a 25% discount on **export**.