

Guidance to Applicants for Membership of The Federation of Cocoa Commerce Ltd

1. Formation and aims

The Federation was established on 15th February 2002 following the merger between the Cocoa Association of London Ltd ("CAL") and the Fédération du Commerce des Cacaos ("FCC"). The merger was achieved through an extensive harmonisation process in response to the needs of members of the two associations to harmonise international cocoa contracts and standardise procedures to facilitate the international trade in cocoa beans and products.

The new internationally focused Federation is now in a much stronger position to respond to the challenges posed by today's complex cocoa supply chain. The Federation is actively involved with many initiatives to address issues of sustainability, quality standards, transport/warehousing, finance and socio-economic conditions that have an impact upon the cocoa trade and industry.

The main aims of the Federation are to promote, protect and regulate the trade in cocoa beans and cocoa products and to support and safeguard the status and interests of its members. These objectives are principally delivered through the harmonised cocoa contract, arbitration services and a superintendent scheme.

The Federation will continue to encourage uniformity in commercial trade practices and high standards of service from those involved in the cocoa supply chain. The Federation will act as a facilitator such that Governments, donor institutions and other third parties are given every opportunity to communicate with members on issues of mutual interest or concern in relation to the likely impact of interventions in the cocoa market.

2. Benefits to Members

- Free distribution of the Rules and Regulations, which relate to the governance of the Federation, to the international contract rules for cocoa beans and cocoa products and to the arbitration and appeal procedures. These are reviewed regularly and updated when necessary by the Contracts & Regulations Committee and the Arbitration & Appeals Committee the members of which are selected from various sectors of the cocoa trade and industry to advise the Council.
- Arbitration and Appeal facilities in English and French are available for resolving quality and technical disputes in an efficient and cost effective manner. The panels for Arbitration and Appeal are composed of representatives of the Voting Membership and are published and reviewed regularly by the Council.

- Federation Members are exempt from advance deposits and higher level administration fees on arbitration proceedings.
- Regular cocoa news distribution, bringing members up-to-date with relevant commercial and political events in the cocoa world.
- Access to the Members' Area of the Federation's website with regular updates of contract rules and communications of special interest to Members.
- Website links to Members' business contact details and website addresses.
- Representation of Members' interests by means of active participation with a variety of institutions covering a wide range of issues such as cocoa quality requirements, food safety, child labour practices, sustainability of tree crops and the concerns expressed by or on behalf of cocoa producers.

The Federation has established strong links with the chocolate industry with a proactive independent role in the major issues that face the cocoa market today.

3. Composition and Membership

The Federation is an independent company limited by guarantee.

Membership is divided into 4 categories – **Voting, Non-Voting, Group and Honorary**. The **Voting** membership is further subdivided into the following sub-categories:

- a) **Production/Exportation** - Voting Members based in countries which grow cocoa beans;
- b) **Industry** - Voting Members engaged in the processing of cocoa beans, cocoa products or related articles;
- c) **Trade** - any other Voting Members.

The Non-Voting Membership is open to those engaged in activities ancillary to the trade and who are not parties to the FCC contract.

The Group membership is open to groups of companies in either the Voting or Non-Voting Category.

The international nature of the Federation is evidenced by its diverse membership. Many of the world's cocoa producers, chocolate manufacturers, cocoa processors, cocoa merchants and trade houses feature in our members list which also contains names of warehousekeepers, insurers, superintendents and other trade associations.

The Federation is managed by an elected Council of 18 directors who serve for a maximum period of 8 years. They are drawn from directors and employees of the Voting and Non-Voting Membership as follows:

- a) 4 Voting Members representing Production/Exportation;
- b) 6 Voting Members representing the Trade;

- c) 4 Voting Members representing the Industry;
- d) 4 Non-Voting Members elected by the voting Council members.

GENERAL GUIDELINES TO MEMBERSHIP APPLICATION

1. Voting and Non-Voting Members may be individuals, firms or corporations. Group Members must be corporations.
2. The election of members is entirely at the discretion of the Council to whom all applications are submitted for approval.
3. All applications for **Voting Membership** must be:-
 - (i) submitted upon the relevant form;
 - (ii) proposed and seconded by Voting Members of the Federation: the relevant form must be completed as indicated by the Proposer and the Secunder as well as by the Applicant;
 - (iii) accompanied by audited/certified financial accounts which are not more than one year old.
4. All applications for **Non-Voting Membership** must be:-
 - (i) submitted upon the relevant form;
 - (ii) proposed and seconded by Voting Members of the Federation: the relevant form must be completed by the Proposer and Secunder as well as by the Applicant.
5. All applications for **Group Membership** must be:-
 - (i) nominated by an existing Voting Member (the Nominating Voting Member) or an existing Non-Voting Member (the Nominating Non-Voting Member) of the Federation;
 - (ii) submitted upon the relevant form;
 - (iii) the relevant form must be completed as indicated by the Applicant and by either the Nominating Voting Member or Nominating Non-Voting Member of the Federation (usually the parent company) which must be an existing member of the Federation;
 - (iv) accompanied by audited/certified financial accounts which are not more than one year old (only applicable for Group Member of a Voting Member's Group);
 - (v) by of a corporation related to the Nominating Member in accordance with the terms set out in Article 7 below of the Articles of Association.

“Any company:

(a) in a Voting Member's Group not being a Voting Member and being a body corporate engaged in the trade which has an issued and fully paid up share capital and/or retained earnings of at least £250,000 (or such other amount as a majority of the Council shall in its entire discretion otherwise decide from time to time) shall be eligible to become a “Group Member” of the Federation upon being nominated for Group Membership by that Voting Member (“the Nominating Voting Member”).

(b) in a Non-Voting Member's Group not being a Non-Voting Member and being a corporation engaged in activities ancillary to the Trade or which provides services to the Trade, but which is not actively engaged in the Trade, shall be eligible to become a "Group Member" of the Federation upon being nominated for Group Membership by that Non-Voting Member ("the Nominating Non-Voting Member")."

CAPITAL REQUIREMENTS

Voting Members	£250,000 issued and fully paid up capital or equivalent capital and reserves.
Group Members of a Voting Member's Group	£250,000 issued and fully paid up capital or equivalent capital and reserves.
Non-Voting Members	Not applicable
Group Members of a Non-Voting Member's Group	Not applicable

FEES

Entrance fee	£250.00	One-off fee payable by all members upon joining the Federation.
Voting Member Subscription fee	£2,500.00 p.a.	Unchanged from last year
Non-Voting Member Subscription fee	£1,200.00 p.a.	Unchanged from last year
Group Membership		
Voting Member's Group	£5,000.00 p.a.	Includes the Nominating Voting Member and up to 5 additional Group Memberships after which each Additional Group Membership will cost £600.00 p.a.
Non-Voting Member's Group*	£2,400.00 p.a.	Includes the Nominating Non-Voting Member and two additional Group Memberships after which each additional Group membership will cost £350.00 p.a.
*Group members in the Non-Voting Member's Group may also join the Superintendents Scheme at no extra cost, subject to the terms and conditions of the FCC Member Superintendents Scheme.		

For more information about the Federation, please contact:

Philip Sigley or Silde Lauand

Tel: +44(0)20 7379 2884

Fax: +44(0)20 7379 2389

E-mail: fcc@liffe.com

Website: <http://www.cocoafederation.com>