

Himalayan Orthodox Tea Producers Association, Nepal (Code of Conduct) Regulation, 2063

To maintain the quality of the Himalayan Orthodox Tea, to enhance the good will of the Himalayan Orthodox tea produced in Nepal in the world market and in relation to the use of logo in the quality oriented orthodox tea, it is deemed necessary to formulate regulation regarding the conduct of the members of the Himalayan Orthodox Tea Producers Association, Nepal; the executive committee of the Association formulated the following rules using the rights as provisioned in clause 28 of the Himalayan Orthodox Tea Producers Association, Nepal Charter.

Part 1 **Preliminary**

1. Short Title and Commencement:

- 1) This Regulation shall be called “Himalayan Orthodox Tea Producers Association, Nepal (Code of Conduct) Regulation, 2063”.
- 2) This Regulation shall come into force immediately.
- 3) This Regulation shall be issued to the Association members.

2. Definitions: Unless the subject or the context otherwise states, in this Regulation:

- a) “Association” means Himalayan Orthodox Tea Producers Association, Nepal.
- b) “Executive Committee” means Himalayan Orthodox Tea Producers Association, Nepal’s executive committee.
- c) “Member” means those member of the Association qualified of abiding the Code of Conduct as per this Regulation.
- d) “Producer” means those persons involved in tea planting, making it qualified to be picked up, drying of the picked tea and supplying the dried tea to the transporter or buyer,
- e) “Tea Processor” means those people involved in processing tea obtained from the producer and involving in final production and involved in its packaging.
- f) “Tea Exporter” means those people involved in selling tea produced or processed in Nepal outside the country,
- g) “Transporter” means those people involved in dispatching tea produced or processed from one place to another place,
- h) “Committee” means that Code of Conduct Monitoring Committee established as per Rule 6,

Part 2 **Code of Conduct**

3. Code of Conduct:

- 1) The members of this Association should follow the Code of Conduct as provisioned in Annex 1 and standards stated in part 5 and 6 of this Regulation.
- 2) Whatever is written in Sub Rule 1, the member should also follow those provisions to be complied by the members as outlined in the Association charter and any other code of conduct prescribed by the Association's Executive Committee.

4. Code of Conduct to be complied:

- 1) The Code of Conduct stated in Rule 3 should be complied & issued by the members specified in the same Rule.
- 2) If the Code of Conduct to be complied as per Sub Rule 1 is not complied then it is considered as the violation of the Code of Conduct.

Part 3

Monitoring of the compliance of the Code of Conduct

5. Monitoring of the compliance of the Code of Conduct:

- 1) There will be regular monitoring of whether the Association members are complying with the Code of Conduct as per this Regulation.
- 2) While carrying out monitoring as per sub rules 1, if it is found that the code of conduct is not implemented in any way then such information should be immediately given to the monitoring committee.

6. Code of Conduct Monitoring Committee:

1) For the regular monitoring of the provisions specified in the code of conduct of this regulation, there will be one code of conduct monitoring committee as follows:

- a) Executive Committee PresidentPresident
- b) Executive Director of Agro Enterprise Centre under FNCCI.....Member
- c) Executive Director of Tea & Coffee Development Board.....Member
- d) One representative of Tea Development AllianceMember
- e) One tea production & processing expert appointed by executive Committee.....Member

2) In the committee prescribed in sub rule 1, appropriate member deemed necessary by the executive committee can be inducted in the committee or such person can participate as invitee member.

3) Any employee of the Association prescribed by the executive committee president will work as secretary of the committee.

4) The tenure of the monitoring committee will be of three years. But ex-officio members will be in the position as long as they are holding their post or three years tenure expire, which ever comes first.

7. Committee Meeting:

1) Committee's meeting will sit as required in the place and date prescribed by the president.

2) The committee secretary should inform about the committee meeting as directed by the president at least seven days in advance to all committee members.

3) If fifty one percent of the committee members become present then it can be considered that majority is reached to conduct the meeting.

4) In the committee meeting, the president will chair the meeting; in the absence of the president, any one member nominated from among the members will chair the meeting.

5) Decisions taken in the Committee meeting should be endorsed by all the members present.

6) The committee president or member will not remain in the committee formed as per this regulation in subject matters concerning conflict of interest, conflict or investigation.

7) Other operational procedure of the committee meeting will be as determined by the committee itself.

8. Committee's Work, Duty and Rights: The work, duty and rights of the committee will be as following:

- a) Regular monitoring and evaluation of whether the code of conduct as provisioned in Rule 3 is complied or not,
- b) While carrying out monitoring as stated in part a), inspecting any member's record and trade related documents if necessary,
- c) If any complaint is filed for violation of the code of conduct as stated in Rule 3 or if such information is obtained through any other sources, then carrying out investigation as per this regulation,
- d) Issuing notice to the member violating the code of conduct to present himself before the committee and recording the statement of the members,
- e) Carrying out physical investigation if any proof is to be collected from any Association member violating the code of conduct,
- f) Presenting report with recommendation for action to be taken against Association member for the violation of code of conduct,
- g) Formulating policy as required regarding commercial conduct taking approval from the executive committee and implementing it,
- h) Carrying out other necessary works as regards to the regular monitoring of the code of conduct,

9. Violation of the Code of Conduct and its investigation:

- 1) If any complaint is filed for violation of the code of conduct as stated in Rule 3 or if such information is obtained through any other sources, then the committee will send the inspecting person of the concerned matter and initiate preliminary investigation.
- 2) While carrying out investigation as stated in sub rule 1, if it is found that the code of conduct is violated, then the committee will inform the concerned member regarding the said subject matter,
- 3) While informing the member as stated in sub rule 2, besides other points, the code of conduct violated issue by the member, the necessary reforms to be made and such violation is not made in the future should be stated.
- 4) While informing the Association member as stated in sub rule 3, the response of the member whether he approves the details found from the investigation and implement it accordingly or he disagrees with investigation result and would not implement it, should be given within seven days of receiving such response from the member.
- 5) In the response provided as stated in sub rule 4, if the concerned member approves the allegations made against him and agrees to implement accordingly and to carry out reforms then the committee can issue order to implement accordingly within twenty one days.
- 6) If the committee is not satisfied with the response provided as stated in sub rule 4 or if such response is not received then the committee can propose punishment as prescribed in Rule 10 to the executive committee.

10. Punishment:

- 1) If the Association member violates Code of Conduct prescribed in Rule 3 and the committee recommends for action then the executive considering the seriousness of the violation and the decision of the committee can provide any of the following punishments:
 - a) give warning,
 - b) suspending from the use of logo as prescribed in Rule 15,
 - c) Preventing the use of logo as prescribed in Rule 15 or give any other appropriate order as regards to the logo,
 - d) Suspending membership clearly stating the period & up to a maximum period of one year,
 - e) Proposing the General Assembly for the cancellation of the membership,
- 2) The punishment provided by the Executive Committee as per sub rule 1 can be made public.

Part 5 Quality Control and Environmental Stability

11. Quality to be maintained:

1) Orthodox tea producers, transporters, processors or exporters who are members of the Association with regards to the tea farming process, production, drying, transporting, processing, exports should maintain quality as prescribed in the Annex.

2) While maintaining quality as prescribed in Sub Rule 1), care should be taken that orthodox tea's determined taste, color strength or smell are intact and standards stated in this Rules should be complied.

3) Whether the producers, transporters, processors or exporters are maintaining the quality as prescribed in sub rules 1 & 2, the committee itself or through expert inspector or processor can carry out the required inspection and supervision.

4) While carrying out the supervision and monitoring as prescribed in sub rule 3, if the quality of the tea production, transport, procession or export is found below the par quality then it can order for immediate improvement or it can clearly state outside the package as quality below the determined standard and order not to use the quality logo.

5) It will be the responsibility of the concerned person to comply with the committee order as prescribed in sub rule 4; and any one not making necessary improvements or any producer, transporter, processor or exporter not removing the logo as ordered will be considered to have breached the Code of Conduct.

12) Environmental stability to be maintained:

1) The farmer or producer carrying out tea farming should make provision of environmental stability in the tea estate.

2) The committee itself or through expert inspecting officer will regularly monitor whether environmental stability as prescribed in sub rule 1 is maintained or not by the farmer or producer carrying out tea farming.

3) If the farmer or producer carrying out tea farming is found not maintaining environmental stability while carrying out monitoring as prescribed in sub rule 2, then the committee can issue order for the necessary reforms or to maintain the determined environmental stability to the farmer. It shall be the responsibility of the farmer or producer carrying out tea farming to execute such order.

4) Farmer or producer carrying out tea farming not executing the committee order as prescribed in sub rule 3 will be considered to have breached the Code of Conduct according to this regulation.

Part 6

Labor and Social Relation & Trade transparency

13) Labor and Social level to be maintained:

1) Orthodox tea producers, transporters, processors or exporters who are members of the Association while carrying out tea farming, production, drying, transporting, processing or exports should abide by the labor Act, 2048, Regulation and other provisions of the

labor law based on the Act and should regularly interact with the workers related to tea farming, production, transportation, processing or exports.

2) The people prescribed in Sub Rule 1 should maintain cordial relation with the orthodox tea farming or tea estate neighboring local communities and should regularly interact with such communities.

3) If there is any reasonable complaint or grievances of the worker or community while carrying out interaction as prescribed in sub rule 1 & 2, then they should be immediately addressed.

4) The committee itself or through expert of the concerned subject matter will regularly monitor whether the provisions of this Rule are complied by the concerned producers, transporters, processors or exporters and if it is found that any producers, transporters, processors or exporters are not complying with the standards then he is considered to have breached the code of conduct as provisioned in this Regulation.

14) Trade Transparency:

1) Orthodox tea farmer, producer, transporter, processor or exporter should maintain transparency in their trade.

2) The transparency to be maintained as outlined in sub rule 1 will be as determined by the Executive Committee from time to time, and the standard so determined will be an important part of this Regulation.

3) The committee itself or through concerned expert of the subject matter will monitor whether the standard set for trade transparency as prescribed in sub rule 2 has been maintained or not. If it is found that trade transparency is not maintained as prescribed in this Rule, then it will be considered to have breached the Code of Conduct as per this Regulation.

4) Producer, transporter, processor or exporter wanting to use the logo as per sub rule 1 of Rule 15 to certify that they are complying with the Code of Conduct as per this Regulation should carry out capacity supervision from the committee.

Part 7 Use of Logo and Treasury

15. Use of Logo:

1) The producer, transporter, processor or exporters who are members of the Association complying with the Code of Conduct as provisioned in this Regulation can make use of the logo with regards to the orthodox tea trade as prescribed in annex 2.

2) The producer, transporter, processor or exporter complying with the Code of Conduct as provisioned in this Regulation can make use of the logo in the produced, processed or to be exported tea label.

3) The quality of the orthodox tea where logo is used as prescribed in sub rule 2 will be assured of the quality.

4) The committee itself or through concerned expert of the subject matter while carrying out monitoring finds out that any producer, transporter, processor or exporter is not complying the Code of Conduct as provisioned in this Regulation then the Committee can issue order to prevent the use of logo as prescribed in sub rule 1, can suspend from using the logo for certain period or can issue any other appropriate order.

5) If any one is found to use the logo against sub rules 1, 2 or 3, then the committee can recommend for action against such person as prescribed in Rule 10.

16. Fee against the logo:

1) For regular monitoring of the implementation of this Regulation, use of logo and its regular supervision, salary for necessary human resources and other expenses necessary for the implementation of this regulation, it will be the responsibility of each member to charges as prescribed in sub rule 2.

2) Producer using logo as prescribed in Rule 15 should submit Rs 0.50 per kilogram for the logo used to the Committee regarding the orthodox tea produced, & processed which are ready to be sold.

3) For the capacity supervision as prescribed in sub rule 4 of Rule 14, the concerned producer, processor or exporter should submit Rs ten thousand as capacity supervision at least two months prior to such examination.

4) The Committee after carrying out examination as prescribed in sub rule 3 will make the logo as prescribed in sub rule 1 of Rule 15 and the related registration number available to the producer, transporter, processor or exporter complying with the Code of Conduct.

17) Treasury:

1) The Committee will have a separate treasury.

2) The treasury established as per sub rule 1 will be considered one vital organ of the Association treasury.

3) Following types of funds will be deposited in the treasury established as per sub rule 1:

- a) Fund separated from Association treasury through the executive decision.
- b) Fund obtained from the use of logo,
- c) Fund collected as penalty by the committee as per this regulation,
- d) Capacity Supervision Fee collected as per sub rule 3 of Rule 16,
- e) Other funds prescribed by the Executive Committee to be deposited in the monitoring committee fund from time to time,
- f) Grant and support available to the Association that requires to be spent on the committee related work.

4) The fund as provisioned in sub rule 3 will be deposited in any bank or financial institution and such account will be operated by the committee chairperson and person prescribed by the executive committee or through account chief of the Association.

5) The fund in the treasury deposited as per this Rule can not be spent and use outside the jurisdiction of the committee.

18) Committee Secretariat: There will be one separate Secretariat established and operated as decided by the Association to execute the Code of Conduct as per this Regulation and to execute work as per the Regulation.

19) Employees working the Secretariat and their Work, Duty and Rights:

1) The appointment of the employees working in the Secretariat will be carried out by the Association on the recommendation of the Committee.

2) The service terms and facilities of the employees working in the Secretariat will be carried out by the Association on the recommendation of the Committee.

20) Amendment of the Regulation: The Executive Committee can make necessary amendments if it is so requested from the Committee.

21) Definition: The definition of this Regulation will be as defined by the Executive Committee.

22) Saving: For issues outlined in this Regulation, it will be as per the Regulation and for other issues it will be as per the Association charter and existing laws. Any points of this Regulation contradicting with the Association charter and existing laws will be automatically void to the extent of such contradiction.

23) Right to release of obstacle:

1) If there is any obstacle while implementing this Regulation, the Executive Committee on the recommendation of the Committee will make necessary provisions.

2) The provision outlined by the Executive Committee as prescribed in sub rule 1 will be implemented in the manner similar to that of this Regulation.

Annex 1 (Maintaining Standard)

**Annex 2
Logo (Maintaining Logo)**