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**COFFEE ACT**

CHAPTER 333

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**CHAPTER 333**

**COFFEE ACT**

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**CHAPTER 333****COFFEE ACT**

[Date of assent: 31st December, 2001.]

[Date of commencement: 25th March, 2002.]

**An Act of Parliament, to provide for the development, regulation and promotion of the coffee industry, and for connected purposes**

[Act No. 9 of 2001, L.N. 43/2002, Act No. 6 of 2005, Act No. 17 of 2006, Act No. 5 of 2007, Act No. 8 of 2009.]

**PART I – PRELIMINARY****1. Short title**

This Act may be cited as the Coffee Act, 2001.

**2. Interpretation**

In this Act, unless the context otherwise requires—

“**auction**” means the auction system under which coffee is offered for sale at the Nairobi Coffee Exchange;

“**Board**” means the Coffee Board of Kenya established under section 3;

“**Board of Trustees**” means the Board of Trustees of the Fund established by section 34;

“**buni**” means coffee dried in the fruit or cherry but does not include hulled buni, also referred to as clean coffee, heavy buni or light buni;

“**buyer**” means a person engaged in buying clean coffee for blending, roasting, grinding and packaging for resale in the local or export market;

“**coffee**” means the plant botanically known as *Coffea* species (L.) and includes the fruit, whether on the plant or detached therefrom, the seed known as buni, parchment coffee, clean coffee, roasted seeds and ground coffee;

“**coffee plantation**” means any large area of land or group of contiguous areas of land under the same management on which coffee is grown for the production of coffee for sale;

“**coffee trade**” means the business of dealing in the commodity of coffee and includes milling, warehousing, selling, buying, roasting, grinding and packaging of roasted seed or ground coffee for reward or profit but does not include cultivation or production of coffee;

“**commercial miller**” means any person who mills ten thousand or more metric tonnes of parchment coffee per crop year on wholesale basis for the purpose of providing service for financial profit;

“**co-operative society**” means a co-operative society registered under the Co-operative Societies Act, 1997 (Cap. 490);

“**crop year**” means the period from 1st October to 30th September of the following year;

“**dealer**” means a person who or which buys clean coffee at the auction for himself or itself as an exporter or on behalf of a dealer residing outside Kenya, whether or not for the purpose of resale in the export market;

“**dealing in coffee**” means acquiring, holding, selling, or exporting coffee for purposes of trade but does not include distributing or moving coffee from one area to another;

“**Director**” means the Director of Agriculture;

“**Foundation**” means the Coffee Research Foundation incorporated under the Companies Act (Cap. 486) with the principal object of promoting research into and investigating all problems relating to coffee in Kenya;

“**Fund**” means the Coffee Development Fund established by section 34;

“**grower**” means any person who cultivates coffee in any area in Kenya and is registered with the Board and includes a co-operative society, co-operative union, growers’ association or a plantation owner;

“**inspector**” means a police officer, or an agricultural officer or an officer of the Board appointed in writing by the Director or the Board respectively, to be an inspector, for purposes of this Act and gazetted by the Minister;

“**management agent**” means any person, registered by the Board, and appointed through a specific agreement by a grower as the grower’s agent for the management of his coffee farm or pulping station;

“**marketing agent**” means a grower licensed by the Board to market his or its clean coffee, or any person duly licensed by the Board and appointed by the grower through a specific agreement to market the grower’s clean coffee;

“**marketing of coffee**” means the offering for sale of clean coffee by a marketing agent;

“**milling**” means mechanical hulling or dehusking of coffee and includes grading of clean coffee;

“**milling agent**” means a person who performs services in specific functions of secondary processing or milling of coffee and who is contracted by a grower as his agent in consideration of a fee;

“**millers’ licence**” means a miller’s licence issued under section 19;

“**Minister**” means the Minister for the time being responsible for Agriculture;

“**Nairobi Coffee Exchange**” means the central coffee auction which is the trading floor of coffee;

“**packer**” means any person who roasts and packs roasted seed or ground coffee into packets or containers intended for sale in the local or export market;

“**private miller**” means a person who mills parchment coffee from his own coffee plantation;

“**pulping station**” means any coffee factory where coffee is pulped, fermented or otherwise treated for the preparation of parchment coffee;

“**sales catalogue**” means a sales catalogue prescribed pursuant to paragraph (h) of section 45 (2);

“**secretary**” means the Managing Director of the Board provided for under section 11;

“**sell**” includes offering coffee for sale but does not include sale of cherry, buni and parchment coffee;

“**smallholder**” means a grower cultivating coffee in a small parcel or in small parcels of land who does not possess his own pulping station;

“**trustees**” means the trustees of the Board of Trustees;

“**warehouse**” means a designed storage facility for coffee, specifically designed to guarantee the quality and safety of coffee;

“**warehouseman**” means any person who or which manages his or its own or a leased warehouse where coffee is handled and stored for reward or profit.

[Act No. 6 of 2005, s. 48.]

## PART II – ESTABLISHMENT OF THE BOARD

### 3. Establishment of the Board

(1) There is established a board to be known as the Coffee Board of Kenya.

(2) The Board shall be a body corporate with perpetual succession and a common seal and shall, in its corporate name, be capable of—

- (a) suing and being sued;
- (b) purchasing or otherwise acquiring, holding, charging or disposing of moveable and immovable property;
- (c) borrowing and lending money; and
- (d) doing or performing all such other acts or things necessary for the proper performance of its functions under this Act as may be lawfully done or performed by a body corporate.

### 4. Composition of the Board

(1) The Board shall consist of—

- (a) such number of members as may be appointed by the Minister on the basis of their interest and expertise in the coffee industry and approved by the relevant Parliamentary Committee;
- (b) *deleted by Act No. 6 of 2005, s. 49 (a)*;
- (c) *deleted by Act No. 6 of 2005, s. 49 (a)*;
- (c) *deleted by Act No. 6 of 2005, s. 49 (a)*;
- (e) the Permanent Secretary in the Ministry for the time being responsible for Agriculture or his representative;
- (f) the Permanent Secretary in the Ministry responsible for Trade;

- (g) the Permanent Secretary in the Ministry responsible for Co-operative Development;
- (h) the Managing Director appointed under section 11 who shall be an *ex officio* member of the Board:

Provided that no person shall qualify for membership of the Board under this section if such person is a member of the Board of Directors of the Coffee Research Foundation, the Co-operative Bank of Kenya Limited or the Kenya Planters Co-operative Union.

(2) The Minister shall publish in the *Gazette* the election to the Board of every member elected under paragraphs (a), (b), (c) and (d) of subsection (1).

(3) The Board shall elect a vice-chairman from amongst the members elected under paragraphs (b) and (c) of subsection (1).

(4) The chairman and the members of the Board other than the members provided for under paragraphs (e), (f), (g) and (h) shall hold office for a term of three years but shall be eligible for re-election:

Provided that the chairman shall not be eligible for re-election for a third term.

[Act No. 6 of 2005, s. 49.]

## 5. Cessation of membership of Board

A member of the Board shall cease to be a member of the Board if—

- (a) he resigns his office as such in writing to the Board;
- (b) he is absent from three consecutive meetings of the Board without the permission of the chairman;
- (c) he is adjudged bankrupt;
- (d) he is incapacitated by prolonged physical or mental illness;
- (e) he ceases to represent the interest in respect of which he was elected or nominated to the Board;
- (f) he is otherwise unable or unfit to discharge the functions of his office.

## 6. Replacement of Board member

If the office of a member of the Board becomes vacant the Board shall notify the interested group or organization which elected that member to the Board under section 4 with a view to arranging a replacement through an election by that group or organization.

## 7. Objects and functions of the Board

(1) The object and purpose for which the Board is established is to promote competition in the coffee industry, production, processing and branding of Kenya coffee locally and internationally, and generally to regulate the coffee industry in the public interest.



- (2) Without prejudice to the generality of subsection (1), the Board shall—
- (a) in consultation with the Ministry for the time being responsible for agriculture and other interested parties, formulate policies and make rules to regulate the coffee industry;
  - (b) carry out registration of and regulate the operations of growers, pulping stations, millers, marketing agents, management agents, buyers, roasters, packers, warehousemen, coffee nurseries and auctioneers;
  - (c) license pulping stations, millers, exporters, coffee nursery owners, marketing agents, dealers, buyers, roasters and packers, warehousemen and auctioneers;
  - (d) provide advisory services related to coffee production and quality enhancement;
  - (e) collect, collate and analyse data, maintain a database on coffee, and document and monitor coffee through registration of any person dealing with coffee under this Act;
  - (f) advise and guide the Foundation in the carrying out of research on, investigation into and co-ordination of training in all matters relating to the coffee industry;
  - (g) represent the Government, if so directed, in international fora;
  - (h) arbitrate in the case of any disputes in the industry referred to it;
  - (i) in consultation with the Jomo Kenyatta University of Agriculture Technology, establish an Institute of Coffee Research jointly with the Coffee Research Foundation, at Ruiru and its substations at Meru, Muhoroni and Kisii, to carry out research into and investigate matters relating to value adding and to improvement of the quality of coffee in Kenya.

(3) The Board shall, subject to the directions of the Minister, be the agent of the Government in respect of all matters pertaining to international agreements made or to be made in relation to coffee.

[Act No. 6 of 2005, s. 50.]

## **8. Conduct of business of the Board**

(1) The conduct and regulation of the business and affairs of the Board shall be as provided in the Schedule.

(2) Except as provided in the Schedule the Board may regulate its own procedure.

## **9. Authority to raise or borrow money**

The Minister, after consultation with the Minister responsible for Finance, may authorize the Board to raise or borrow such sums of money to finance its operations as it may think fit and the Board may secure the repayment of such sums.

**10. Power to employ officers and servants**

The Board may appoint and employ, on such terms and conditions as it may from time to time determine, such officers and servants as it may consider necessary for the proper and efficient administration of the work of the Board.

**11. Management of the Board**

(1) There shall be a Managing Director of the Board who shall be appointed by the Board.

(2) The Managing Director shall be responsible for the day to day management of the affairs of the Board and shall be the secretary to the Board.

**12. Employment of agents of the Board**

The Board may appoint and employ, on such terms and conditions as it may determine, agents to carry out any of its functions under this Act.

**13. Directions by the Minister**

In the exercise of its powers and in the performance of its functions under this Act, the Board shall act in accordance with any general or special directions as may be given to it by the Minister.

**14. Delegation of powers of the Board**

The Board may, by resolution either generally or in any particular case delegate any of the powers conferred on it by this Act to any of its members, officers or servants or to any committee, whether constituted wholly of members of the Board or jointly with members of any body established in any other country and having responsibilities similar to those of the Board.

**15. Liability of members**

No member of the Board shall be personally liable for any act or default of the Board done or omitted to be done in good faith and without negligence in the course of the operations of the Board:

Provided that in the conduct of the affairs of the Board, members of the Board shall exercise due prudence and diligence and shall be held jointly and severally responsible for any losses incurred due to any act done by them and which is contrary to this Act or the regulations of the Board or to the direction of any general meeting.

**16. Annual meeting of representatives of coffee growers**

(1) The Board shall, at least once in every year, convene an annual general meeting of representatives of coffee growers for the purposes of considering the annual reports and accounts mentioned in subsection (3) of section 37 and for the purposes of transacting such other business of which notice shall have been given.

(2) The Board may convene special general meetings in addition to the meetings mentioned in subsection (1) for such purposes and at such times as it may deem fit.

(3) Subject to this Act, and any Rules made under it, the Board may make rules for the regulation of the conduct of business and procedure at general meetings convened by it.

### PART III – LICENSING AND REGISTRATION PROVISIONS

#### 17. Prohibition of certain acts without a licence

(1) No person shall—

- (a) buy, sell, mill, warehouse, export or otherwise deal in or transact any business in coffee unless he is a holder of a current licence issued by the Board for that purpose;
- (b) transport or have in his possession any coffee unless he is licensed to do any of the things specified in paragraph (a) and is the holder of a movement permit issued by the Board or is acting in the course of his employment as a servant or agent of a person holding such a permit.

(2) This section shall not apply to—

- (a) any person who purchases coffee for consumption or for planting on his land;
- (b) any grower who mills coffee produced by such grower;
- (c) warehousing of coffee by the Kenya Railways Corporation or by the Kenya Ports Authority;
- (d) an auctioneer of coffee.

(3) Any person who contravenes the provisions of subsection (1) or acts in contravention of the conditions of any licence granted thereunder commits an offence and is liable to a fine of not less than fifty thousand shillings but not exceeding one million shillings or to imprisonment for a term of not less than two years but not exceeding ten years, or to both.

(4) Where a person is convicted of an offence under this section, the court shall order that any coffee and any vehicle, vessel or other conveyance in relation to which the offence has been committed shall be forfeited to the State:

Provided that the court may for reasons to be recorded, direct that such forfeiture shall not apply to any vehicle, vessel or other conveyance in respect of which the offence is committed.

(5) Any coffee or vehicle, vessel, or other conveyance forfeited to the State under subsection (4) shall be sold by public auction and the proceeds accruing from such sale shall be credited to the Board.

[Act No. 17 of 2006, s. 120.]

#### 18. Kinds of licence

Licences under section 17 shall be of the following kinds—

- (a) a coffee dealer's licence, authorizing the holder to—
  - (i) buy or deal in clean coffee produced in Kenya or to import clean coffee from outside Kenya, and to process, in Kenya for local sale or export, coffee of any country of origin; and

- (ii) deal in roasting, blending and packaging coffee for local sale or export;
- (b) a coffee miller's licence authorizing the holder to conduct the business of milling;
- (c) a marketing agent's licence, authorizing the holder to conduct the business of marketing coffee and auctioneering;
- (d) a warehouseman's licence, authorizing the holder to conduct the business of warehousing coffee;
- (e) a pulping station licence, authorizing the holder to operate a pulping station.

[Act No. 17 of 2006, s. 121, Act No. 5 of 2007, s. 82, Act No. 8 of 2009, s. 70.]

#### 19. Issue of licence and licence fees

(1) The Board shall not issue a licence under this Act unless—

- (a) it is of the opinion that the applicant is a fit and proper person to hold such licence and is not indebted to any coffee farmers' organisation; and
- (b) it is satisfied that the applicant has sufficient knowledge, experience and capacity to enable him conduct the business or that he has employed as staff of the business a person with such knowledge, experience and capacity.

(2) Every licence shall specify the premises upon which the business specified in the licence may be carried on.

(3) Licences issued under section 17 as specified under section 18 shall remain in force until the 30th of June next following the date of issue, unless earlier cancelled.

(4) There shall be payable for the issue of licences such fees as the Board, after consultation with the Minister, may prescribe.

(5) The Board shall, at least thirty days before granting a licence under this Act, give notice of the proposed grant in the *Gazette* and in such other manner as the Board may determine.

(6) The Board shall, in the notice referred to in subsection (5)—

- (i) specify the name or other particulars of the person or class of persons to whom the licence is to be granted;
- (ii) state the purpose for the proposed licence and indicate the date such licence is proposed to be issued to the successful applicant; and
- (iii) invite objections to the proposed grant of licence and direct that such objections be lodged with the Board within fourteen days next following the date of the notice.

(7) The Board may after considering the objections, if any, made under this section, grant the licence applied for, subject to such terms and conditions as may be specified therein.

(8) A licence issued under section 17 shall not be transferable.

**20. Duties of licence holder**

- (1) The holder of a licence issued under section 18 shall—
- (a) at all times keep on the premises specified therein a register in the English or Kiswahili language of all purchases and sales of coffee made under the authority of his licence, and within forty-eight hours after each purchase or sale, as the case may be, enter in the register the quantity purchased or sold and the date of the transaction;
  - (b) at all times keep exhibited over the outer door of his shop or place of business, in characters not less than three inches in size, his name and the words “Licensed Coffee Dealer” in English or words to the similar effect in the Kiswahili language;
  - (c) submit such returns at such times and to such persons as may be prescribed;
  - (d) on demand by an inspector, allow the inspector to enter upon his premises and inspect all coffee therein and produce for inspection at the inspector’s request his licence and the register kept under this section.
- (2) Any person who contravenes any of the provisions of subsection (1) commits an offence.

**21. Duty to register with co-operative society or the Board**

(1) Every smallholder grower shall register with the co-operative society to which he delivers coffee, and a coffee plantation grower shall register with the Board, by supplying such particulars as the Board may prescribe in Regulations.

(2) Upon the commencement of this Act, every grower licensed by the Board shall be deemed to be a registered grower whether a member of a co-operative society or not:

Provided that where the particulars supplied to the Board by such a grower for purposes of licensing do not meet the requirements of any regulations prescribed under subsection (1), the grower shall comply with such requirements.

(3) Where a person starts growing coffee at any a time after the commencement of this Act, such person shall, within six months register with a co-operative society or the Board in accordance with subsection (1).

(4) Any change in the particulars supplied by a grower for purposes of registration in accordance with subsection (1) shall be notified to the Board or the co-operative society in writing, without undue delay.

(5) The co-operative society and the Board shall each maintain a register for the purpose of this Part and shall record therein the particulars supplied in accordance with this section.

(6) Where a co-operative society or the Board has reasonable cause to believe that a person whose particulars are recorded has ceased to be a grower, it may, after giving that person written notification by registered post of its intention to do so, remove the name of such person from the register.

(7) The registers referred to in subsection (5) shall be *prima facie* proof of the fact that a person is a registered coffee grower and a co-operative society shall furnish the Board with particulars of all registered coffee growers in such manner as the Board may prescribe.

(8) After the commencement of this Act, any grower who carries on business as such without being registered in accordance with subsection (1) or knowingly or recklessly supplies false particulars commits an offence.

(9) For purposes of the keeping of accurate and reliable statistics, any person intending to uproot coffee shall notify the co-operative society, in the case of a smallholder, and the Board, in the case of a plantation grower.

## **22. Pulping station licences**

(1) No person shall construct or operate a pulping station unless he is licensed in respect thereof by the Board and a separate licence shall be required for every pulping station specifying the location of each such pulping station.

(2) Subject to this section, the Board shall maintain a register, in such form as it may determine, of all coffee pulping stations and co-operative societies registering growers under this Part and shall enter therein, in respect of each pulping station—

- (a) the full names of the pulping station and the co-operative society to which it may be affiliated;
- (b) the date of issue of the license;
- (c) the date on which annual returns of registered growers by the co-operative society are received;
- (d) the particulars of numbers of registered growers or variations of such particulars;
- (e) the particulars and sizes of areas planted with coffee or variations of such particulars;
- (f) any other particulars which the Board may deem necessary.

(3) No member of a co-operative society shall pulp his coffee in any pulping station other than a pulping station belonging to a co-operative society of which he is a member:

Provided that where a co-operative society does not own a pulping station, or where the available pulping station is, for any reason, unable to satisfy the pulping requirements of the member, the co-operative society shall make appropriate and expedient arrangements to have the coffee pulped in a pulping station owned by any other co-operative society.

(4) Any person who contravenes the provisions of this section commits an offence.

## **PART IV – PROVISIONS RELATING TO THE MILLING, MARKETING AND EXPORT OF COFFEE**

### **23. Registration of millers**

(1) No person shall conduct the business of a commercial coffee miller unless he is registered as a commercial coffee miller by the Board, and no such business shall be conducted at any premises other than those specified in the register:

Provided that commercial milling shall, in accordance with the regulations made under this Act, provide for security of parchment and clean coffee in the custody of the miller.

(2) Upon registration of a commercial coffee miller, the secretary shall issue a certificate of registration specifying the premises at which milling may be carried on by that miller.

(3) No fee shall be charged in respect of any registration or certificate of registration made or issued under this section.

(4) A commercial miller or a management agent may render extension or other services to a grower for payment or on credit by way of financing coffee or indirectly through a co-operative society and the charges to be made therefor and the contracts shall be registered with the Board in such a manner as may be prescribed.

(5) Every commercial coffee miller registered under this section shall submit such returns at such times and to such persons and do such things as may be prescribed.

(6) Any person who contravenes the provisions of subsection (1) commits an offence.

[Act No. 6 of 2005, s. 51.]

#### **24. Registration of marketing agents**

(1) No persons, other than a grower, shall conduct the business of a marketing agent unless—

- (a) he has produced to the Board, and the Board has registered in favour of the grower, a bank guarantee worth between one million United States dollars and twelve million United States dollars, or one and a half times the free on board (f.o.b.) value of the coffee transacted on in each particular case less the transaction cost, whichever is the higher and he is licensed and registered as a coffee marketing agent by the Board:

Provided that where the grower is a co-operative society, co-operative union, growers' association, or plantation grower marketing the grower's own coffee, such grower shall not be required to furnish a bank guarantee;

- (b) he is appointed by a grower as the grower's marketing agent;
- (c) he conducts such business only at the premises specified in the register.

(2) The secretary shall keep a register of all licensed marketing agents.

(2A) The Board shall register a grower as a marketing agent.

(3) Upon registration of a marketing agent, the secretary shall issue to such agent a certificate of registration specifying the premises at which marketing of coffee and warehousing may be carried on.

(4) *Deleted by Act No. 6 of 2005, s. 52(d).*

(5) A marketing agent may render advisory services to growers in matters relating to his area of operation as may be prescribed but every marketing agent, in selling the grower's coffee, may do so at a price agreed upon between the grower and the marketing agent with the concurrence of the grower's financier.

(6) Every marketing agent registered under this section shall submit such returns at such times and to such persons and do such things as may be prescribed.

(7) Any person who contravenes any of the provisions of subsection (1) commits an offence.

[Act No. 6 of 2005, s. 52.]

## **25. Registration of distinguishing marks**

(1) No person offering for sale or exporting coffee shall use any distinguishing mark to mark and identify it as coffee grown by him or by a member of a co-operative society to which such member belongs unless the mark is registered as the distinguishing mark of such person or such society by the secretary in a register to be kept for that purpose.

(2) A person who desires to use, or a co-operative society which desires its members to be able to use, such a mark as referred to in subsection (1) shall make an application for registration thereof to the secretary who may register the same, or may require the applicant to submit another mark to him for his consideration, or may, for reasons to be stated, refuse to register the mark.

(3) Where the secretary registers a mark under this section, he shall issue a certificate of registration thereof to the applicant.

(4) Any person who contravenes any of the provisions of subsection (1) commits an offence.

## **26. Application for renewal of dealer's licence**

An application for the renewal of a licence under section 18 shall be made to the Board not later than the first day of the month of June in which the current licence is due to expire:

Provided that a late application may be made upon payment of a late application fee of one thousand shillings.

## **27. Restriction of purchase and sale of coffee**

(1) Subject to the provisions of this Act—

- (a) no grower shall roast coffee for sale, sell to any other person or purchase coffee from any other person;
- (b) no person shall purchase coffee from any grower;
- (c) no person, other than a grower shall market clean coffee at the auction unless he is the holder of a marketing agent's licence issued by the Board under section 17 and he is appointed so to do by a grower through a specific agreement.



(2) A commercial miller wishing to operate as a marketing agent shall be required to incorporate a separate company for the purpose of marketing coffee:

Provided that where a commercial miller is a company, no director of such company may be a director of the company incorporated pursuant to this subsection.

(3) Any person who contravenes the provisions of subsection (1) or acts in contravention of the conditions of any written authority or licence granted thereunder commits an offence and is liable to a fine of not less than fifty thousand shillings but not exceeding one million shillings or to imprisonment for a term of not less than two years and not exceeding ten years, or to both.

(4) Where a person is convicted of an offence under this section the court shall order that any coffee and any vehicle, vessel or other conveyance, in relation to which the offence has been committed shall be forfeited to the State:

Provided that the court may, for reasons to be recorded, direct that such forfeiture shall not apply to any vehicle, vessel or other conveyance.

(5) Where a person is convicted of an offence under this section and the coffee and any vehicle, vessel or other conveyance have been forfeited to the State under subsection (4) such items shall be sold by public auction and the proceeds thereof shall be credited to the Board.

## **28. Purchase of coffee produced outside Kenya**

A marketing agent may purchase any coffee which has been produced outside Kenya and may sell it at the auction provided the marketing agent is a holder of a licence, and for that purpose may make such contracts as may be approved by the Board.

## **29. Board may require grower to mill coffee**

(1) The Board may by order in the *Gazette*, require a grower within a specified time to mill the whole or any part of coffee which is in the grower's possession or to send it to a coffee miller registered under section 23 for milling.

(2) Any grower who fails to comply with an order made under subsection (1) commits an offence.

## **30. Certain duties of millers**

(1) Every miller to whom any coffee is sent for milling, and every grower who mills any coffee, shall, within forty-eight hours of the coffee being milled send to—

- (a) the Board, a statement in the prescribed form of the coffee milled;
- (b) the marketing agent, a statement in the prescribed form and a sample of 200 grams of each grade of the milled coffee.

(2) The Board shall appoint marketing agents to collect statutory deductions and remit the amounts to the respective institutions entitled to receive such deductions.

(3) Any person who contravenes the provisions of subsection (1) commits an offence.

### 31. Classification of coffee

(1) Where a sample of coffee has been sent to a marketing agent under section 30, the marketing agent shall classify the coffee of which it is a sample in accordance with the sample, and shall, within seven days after such classification, notify the grower to whom the sample belongs, or his agent, of the class in which the coffee has been classified.

(2) Any grower who is aggrieved by classification of his coffee under subsection (1) may, within twenty-one days of the notification under the said subsection, appeal in writing against such classification to the Board.

### 32. Marketing of coffee

Subject to the provisions of this Act, a marketing agent shall market all coffee which has been classified by him under section 31 on terms agreed between the grower or the grower in consultation with his financier and the marketing agent from time to time, and such coffee shall be delivered to the marketing agent in such manner as may be prescribed by the Board.

#### 32A. Rules

The Minister shall make rules on the conduct of direct sales of coffee in order to promote competition and to ensure security of the growers' sales proceeds prior to export or transfer to the buyer.

[Act No. 6 of 2005, s. 53.]

## PART V – FINANCE

### 33. Growers *ad valorem* levy

(1) The Minister may from time to time, on the recommendation of the Board, by order published in the *Gazette*, impose a levy, hereafter referred to as a grower's *ad valorem* levy, on all coffee sold by the marketing agents under the provisions of this Act provided that the amount of such *ad valorem* levy not exceeding the percentages specified herein shall be deducted and remitted directly as follows—

- (a) one per centum of the gross sales of all clean coffee sold by a marketing agent shall be remitted to the Board;
- (b) two per centum of the gross sales of all clean coffee sold by the marketing agent shall be remitted to the Coffee Research Foundation.

(2) Every marketing agent appointed under the provisions of this Act shall remit the amount of the levy deducted by him as specified in subsection (1) to the Board and the Foundation respectively within seven days from the date the coffee sale proceeds are received by the marketing agent from the dealers as specified in the sales catalogue.

(3) All moneys due on account of a grower's *ad valorem* levy shall be a debt due to the Board or the Foundation, as the case may be, from the grower concerned or his marketing agent.

(4) Any person who contravenes the provisions of subsection (2) commits an offence and is liable to a fine of not less than fifty thousand shillings or imprisonment for a term of not less than six months or to both, in addition to the recovery of the amount due to the Board or the Foundation, and such amount due shall attract interest at the prevailing commercial bank rates.

### **34. Coffee Development Fund**

(1) There is established a Fund to be known as the Coffee Development Fund.

(2) The Fund shall consist of—

- (a) the coffee development levy;
- (b) any funds provided by bilateral or multilateral donors, for the purpose of the Fund;
- (c) moneys provided by Parliament specifically for the purpose of the Fund;
- (d) any interest from loans and advances; and
- (e) funds from any other source approved by the Trustees.

(3) The Fund shall be managed by a Board of Trustees which shall consist of—

- (a) the Permanent Secretary to the Treasury;
- (b) the Permanent Secretary of the Ministry for the time being responsible for matters relating to Agriculture;
- (c) five members elected by members of coffee co-operative societies;
- (d) three members elected by plantation coffee growers;
- (e) the Managing Trustee who shall be the Secretary.

(4) The purpose for which the Fund is established is to provide sustainable affordable credit and advances to coffee farmers for all or any of the following purposes—

- (a) farm development;
- (b) farm inputs;
- (c) farming operations; and
- (d) price stabilization.

(5) The Trustees shall, from time to time, make rules for the better management of the Fund in the best interest of coffee farmers, and may in such rules prescribe the terms and conditions, the rate of interest, the period of repayment, the form of security or guarantee, on which the loans and advances are to be made, and the manner of recovery thereof from coffee farmers.

#### **34A. Sources of the Fund**

The Fund shall consist of—

- (a) any funds provided by bilateral or multilateral development partners, for the purpose of the Fund;
- (b) interest on loans and advances made by the Fund; and

- (c) money provided by Parliament for the purpose of the Fund;
- (d) funds from any other source approved by the Trustees.

[Act No. 6 of 2005, s. 54.]

### **34B. Board of Trustees**

(1) The Fund shall be managed by a board of trustees to be known as the Coffee Development Fund Board of Trustees.

(2) The Board of Trustees shall be a body corporate having perpetual succession and a common seal and may, in its corporate name—

- (a) sue or be sued;
- (b) purchase, hold, manage and dispose of movable and immovable property;
- (c) lend or borrow money;
- (d) do or perform all such other things or acts necessary for the proper performance of its functions under this Act which may be lawfully performed by a body corporate.

(3) The Board of Trustees shall consist of—

- (a) the Permanent Secretary to the Treasury;
- (b) the Permanent Secretary in the Ministry for the time being responsible for matters relating to Agriculture;
- (c) the Permanent Secretary in the Ministry for the time being responsible to matters relating to Co-operative Development;
- (d) six members appointed by the Minister on the basis of their interest and expertise in financial management from—
  - (i) coffee co-operative societies;
  - (ii) plantation coffee growers; and
  - (iii) other coffee experts,and approved by the relevant Parliamentary Committee;
- (e) the Managing Trustee, who shall be the secretary to the Board of Trustees.

(4) The trustees shall elect the chairman from amongst the members appointed under subsection (3)(d).

(5) The trustees appointed under subsection (3)(d) shall hold office for a term of three years which shall be renewable for one further term of not more than three years.

(6) The office of a trustee appointed under subsection (3)(d) shall become vacant—

- (a) if he resigns his office by notice in writing addressed to the Minister;
- (b) if he dies;
- (c) if he is adjudged bankrupt;
- (d) if he is sentenced to a term of imprisonment by any court;

- (e) if the Minister is satisfied that the trustee is physically or mentally incapable of fulfilling the functions of his office, and terminates the appointment of the trustees; or
- (f) if he conducts himself in a manner deemed by the Minister to be inconsistent with membership of the Board.

[Act No. 6 of 2005, s. 54.]

#### **34C. Managing Trustee and other staff**

(1) The Board of Trustees shall, through a competitive process, appoint a Managing Trustee who shall be the chief executive of the Board and responsible for the day to day running of the affairs of the Board.

(2) The Managing Trustee shall possess a post-graduate qualification in management.

(3) The Managing Trustee shall hold office for a term of four years which shall be renewable for one further term of not more than four years.

(4) The Board of Trustees may hire such officers and other staff as may be necessary for the proper discharge of the Board's functions under this Act, on such terms and conditions of services as it may determine.

[Act No. 6 of 2005, s. 54.]

#### **34D. Board of Trustees may make rules, etc.**

(1) The Board of Trustees may, from time to time, in consultation with the Minister, make rules for the better management of the Fund.

(2) In making the rules referred to in subsection (1), the Board of Trustees shall take into account the best interests of growers.

(3) Without prejudice to the generality of subsections (1) and (2), the rules may prescribe the terms and conditions, rate of interest, the period of repayment, the form of security or guarantee on which the loans and advances are to be made by the Board, and the manner of recovery thereof from the persons to whom such loans or advances are made.

[Act No. 6 of 2005, s. 54.]

#### **35. Agent to pay grower directly**

A marketing agent shall pay the grower directly after the sale of coffee by such agent and on making statutory deductions within seven days of receipt of the coffee sales proceeds from the dealer as specified in the sales catalogue and there shall be no coffee pool in the custody of any marketing agent.

### **PART VI – AUDIT AND REPORT**

#### **36. Accounts and audit**

(1) The Board and the Foundation shall respectively cause to be kept such books of account and other books in relation thereto and to all its undertakings, funds, activities and property as the Minister may from time to time require;

and shall within a period of four months after the end of its financial year, or within such longer period as the Minister may approve, cause to be prepared, signed and transmitted to the auditor—

- (a) a balance sheet showing in detail the assets and liabilities of the Board or the Foundation; and
- (b) such other statements of account as the Minister may require.

(2) The accounts of the Board and those of the Foundation shall be examined, audited and reported upon annually by the Auditor-General (Corporations) in accordance with Part VII of the Exchequer and Audit Act (Cap. 412).

### **37. Annual report and publication thereof**

(1) The Board shall, within a period of seven months after the end of its financial year or within such longer period as the Minister may approve, submit to the Minister a report of its operations during such year, and the yearly balance sheet and such other statements of account as the Minister shall require together with the report of the Auditor-General (Corporations) thereon; and the Board or the Foundation, as the case may be, shall, if the Minister so requires, publish them in such a manner as the Minister may specify.

(2) The Minister shall lay the Board's and the Foundation's report and the report of the Auditor-General (Corporations), together with the balance sheet and such other statements of account as the Minister may have required, before the National Assembly within fourteen days of receipt of the reports and statements by him, or, if the National Assembly is not then sitting, within fourteen days of the next sitting.

(3) The Board and the Foundation shall each submit its report and the report of the Auditor-General (Corporations), together with the balance sheet and such other statements of account as the Minister may have required, to the annual general meeting next convened after the same have been submitted to the Minister.

## **PART VII – GENERAL**

### **38. Appeals**

Any person aggrieved by the refusal of the Board, or of any person authorized by the Board in that behalf, to issue any licence or registration certificate, or by any decision of the Board may within thirty days after being notified of such refusal, cancellation, suspension or decision, appeal to the Agricultural Appeals Tribunal established under Part XV of the Agriculture Act (Cap. 318), and the provisions of that Part shall, *mutatis mutandis*, apply in relation to every such appeal.

### **39. Service of notices**

Where any notice is required by or under this Act or any Rules made thereunder to be served on any person, service thereof may be effected either personally on such person or by registered post; and, where the person to be served is a body corporate or a co-operative society or other body of persons, service of any such notice may be effected by serving it personally on any secretary, director or other officer thereof, or by leaving or sending it by

registered post addressed to the body corporate, co-operative society or body of persons at its registered office, or, where there is no registered office, at any place where it carries on business.

#### **40. Powers of inspectors**

(1) An inspector may require the person in charge, or appearing to be in charge, of the premises of a grower or retail seller of provisions to allow him free ingress to the premises and to produce to him for his inspection any licence issued, and any register kept, in relation thereto under this Act.

(2) Any person who refuses entry to an inspector acting under this section or obstructs him in entering or in making an inspection thereunder, or who, without reasonable excuse, fails to produce any licence or register production of which is required of him under this section, commits an offence.

(3) The Attorney-General may appoint any person to institute and conduct proceedings in a court of law in respect of any offence committed under this Act.

#### **41. Offences by corporations, co-operative societies, etc.**

Where any offence under this Act or under any Rules made thereunder is committed by any company or other body corporate, or by any co-operative society, association or body of persons, every person charged with, or concerned, or acting in, the control or management of the affairs or activities of such company, body corporate or co-operative society, association or body of persons, shall be guilty of that offence and liable to be punished accordingly, unless it is proved by such person that, through no act or omission on his part, he was not aware that the offence was being or was intended or about to be committed or that he took all reasonable steps to prevent its commission.

#### **42. General penalty**

Any person who is guilty of an offence under this Act for which no penalty is provided shall be liable to a fine not exceeding twenty thousand shillings or to imprisonment for a term not exceeding six months, or to both such fine and imprisonment.

#### **43. Additional penalty for certain offences**

(1) Where the holder of a licence under section 17, or any person registered under section 23 or 24, of this Act is convicted of an offence under Chapter XXXI of the Penal Code (Cap. 63) in respect of coffee, the court convicting him may, in addition to imposing any other penalty, order that the licence or certificate of registration, as the case may be, of such person, be cancelled with effect from such date as the court considers will enable the person to dispose of his existing stock of coffee, and that the person be debarred there-after from obtaining such a licence or from being so registered for such a period as the court may think fit.

(2) A person whose licence or certificate of registration has been ordered, under subsection (1), to be cancelled may, notwithstanding the provisions of section 348 of the Criminal Procedure Code (Cap. 75), appeal against the order to the High Court in accordance with the provisions of Part XI of that Code.



**44. Rules**

(1) The Minister may, after consultation with the Board, make Rules for prescribing anything which by this Act is required to be prescribed, and generally for the better carrying out of the provisions of this Act.

(2) Without prejudice to the generality of the powers conferred by subsection (1) Rules thereunder may provide for all or any of the following matters—

- (a) prescribing the manner of electing the members of the Board, who are required by this Act to be elected to represent respective coffee areas and interests, and the manner in which the lists of candidates for election shall be published;
- (b) prescribing the manner in which persons to represent growers for the purposes of section 16 shall be elected;
- (c) prescribing the manner of registration and licensing or de-registration of buyers, auctioneers, packers, marketing agents, management agents, millers, growers and any other persons dealing in coffee;
- (d) requiring the rules and regulations of any organization dealing or involved in coffee trade and all rules and regulations relating to conditions of trading in coffee at the Nairobi Coffee Exchange or matters relating to the sale of coffee, made by any such organization to be in conformity with the provisions of this Act;
- (e) prescribing the forms and manner of application for registration under sections 23, 24 or 25;
- (f) prescribing the forms of certificate to be issued under this Act;
- (g) prescribing the returns, and the forms thereof, to be made by persons holding licenses under section 18, millers registered under section 23 and marketing agents registered under section 24;
- (h) prescribing the manner in which coffee may be traded and stored, and regulating and controlling the blending and packing of parchment coffee, clean coffee, roasted seeds and ground coffee with a view to maintaining or enhancing the quality of coffee;
- (i) prescribing the forms of registers required by this Act to be kept, and the matters to be entered therein;
- (j) controlling and regulating the milling and sale of coffee by the millers and marketing agents respectively, including accountability and sale of coffee sweepings and monitoring milling recovery ratios;
- (k) providing for and regulating deliveries of coffee from the millers to the marketing agents including the retention schemes that may be applied;
- (l) prescribing the services which the millers and marketing agents may render to growers for payment, and the charges to be made therefor;
- (m) providing for the submission of returns to the Board relating to the acreage of coffee which is under cultivation, and the quantities of coffee available for sale by the marketing agents;



- (n) prescribing the forms and procedure for appeals under this Act;
- (o) providing for the manner of grading and classification of coffee under this Act;
- (p) prescribing the fees, which may be charged for anything to be done under this Act;
- (q) prescribing anything, which under this Act may be prescribed.

#### PART VIII – REPEAL AND TRANSITIONAL PROVISIONS

##### 45. Repeal of Cap. 333

(1) In this Part—

“**appointed day**” means the day the Act comes into operation;

“**the former Board**” means the Coffee Board of Kenya provided for by the provision of the Coffee Act (Cap. 333) prior to the “appointed day”;

“**the new Board**” means the Coffee Board of Kenya established by section 3 of the Coffee Act (Cap. 333) as amended by this Act.

(2) The Coffee Act (Cap. 333) is hereby repealed.

(3) Notwithstanding the repeal of the Coffee Act (Cap. 333), all rights, obligations, liabilities and contracts which immediately before the commencement of this Act were vested in or imposed on the former Board shall from the commencement of this Act be deemed to be the rights, obligations, liabilities and contracts of the new Board.

(4) The Minister may, by order—

- (a) provide that from a specified date, subject to such exceptions as may be contained in the order, all persons who immediately before the commencement of this Act are officers or employees of the former Board shall be officers or employees, as the case may be, of the new Board;
- (b) make provisions consequent on the transfer or exceptions referred to in paragraph (a);
- (c) make provision with respect to pensions or provident fund benefits of the new Board and with respect to the pension scheme and provident fund of the former Board.

(5) (a) On the appointed day, all the funds, assets and other property, moveable and immovable, which, immediately before such day, were vested in the former Board shall, by virtue of this paragraph and without further assurance, vest in the new Board.

(b) Every public officer having the power or duty to effect or amend any entry in a register relating to property, or to issue or amend any certificate or other document effecting or evidencing title to property, shall, without payment of fee or other charge and upon request made by or on behalf of the new Board, do all such things as are by law necessary to give final effect to the transfer of property mentioned in paragraph (a).

(c) On the appointed day, all rights, powers, liabilities and duties whether arising under any written law or otherwise howsoever, which immediately before the appointed day were vested in, imposed on or enforceable by or against the former Board shall, by virtue of this paragraph, be transferred to, vested in, imposed on or enforceable by or against the new Board.

(6) On and after the appointed day, all actions, suits or legal proceedings whatsoever pending by or against the former Board shall be carried on or prosecuted by or against the new Board, and no such action, suit or legal proceedings shall in any manner abate or be prejudicially affected by the enactment of this Act.

(7) Any reference to the former Board in any written law or in any contract, document or instrument of whatever nature shall, on and after the appointed day, be read and construed as a reference to the new Board.

(8) All directions, orders and authorizations given, or licences or permits issued, or registrations made by the former Board, and subsisting or valid immediately before the appointed day, shall be deemed to have been given, issued or made, as the case may be, by the new Board.

(9) Every person who, immediately before the appointed day was an officer or servant of the former Board (not being then under notice of dismissal or resignation) shall on that day become an officer or servant of the new Board upon the terms and conditions of service applicable to him immediately before such day:

Provided that any such person who, within two weeks after the appointed day, gives notice in writing to the new Board that he does not wish to become an officer or servant of the new Board shall be deemed not to have become such officer or servant but to have retired from the service of the former Board on the day preceding the appointed day.

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## SCHEDULE

[Section 8.]

### CONDUCT OF MEETINGS OF THE BOARD

1. The Chairman shall convene and chair all meetings of the Board.
2. In the absence of the Chairman and the vice-chairman from any meeting, a chairman for that meeting shall be chosen by the members from among those present.
3. The quorum for conduct of the business of the Board shall be nine members including the chairman or the person presiding:

Provided that at least five of the members elected under section 4(b) and 4(c) shall be present.
4. The chairman of a meeting shall have a deliberative vote, and, in case of equality of votes, also a casting vote.

5. The Board shall meet at least once in every three months.
  6. The chairman, or, in his absence the vice-chairman, may, in his discretion, at any time convene a special meeting of the Board, and shall upon receipt of a written request signed by not less than three members of the Board, convene a special meeting of the Board within two weeks after such request.
  7. The minutes in proper form of each meeting shall be kept by the secretary and shall be confirmed by the chairman or the person presiding at the next succeeding meeting.
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**CHAPTER 333**

**COFFEE ACT**

SUBSIDIARY LEGISLATION

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**COFFEE (GENERAL) RULES, 2002**

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[Subsidiary]

## COFFEE (GENERAL) RULES, 2002

[L.N. 123/2002, Corr. No. 114/2002, L.N. 100/2006, L.N. 186/2007, L.N. 79/2012.]

### PART I – PRELIMINARY

#### 1. Citation

These Rules may be cited as the Coffee (General) Rules, 2002.

#### 2. Interpretation

In these Rules, unless the context otherwise requires—

“**coffee sales proceeds**” means monetary consideration received in exchange for coffee at the auction, or through direct sales, being not less than the actual coffee realization;

“**direct sales**” means a contractual agreement between the grower and his or its marketing agent and a buyer located outside Kenya for the sale of clean coffee based on mutually accepted terms and conditions enforceable in law and registered with the Board;

“**inspector**” means an inspector appointed by the Board under these Rules;

“**marketing agency contract**” means a contract between a grower and a marketing agent which specifies the powers and functions to be exercised or performed by the agent on the grower’s behalf;

“**out-turn**” means a millable lot;

“**out-turn statement**” means an out-turn statement in the form prescribed in the Coffee (Forms) Rules, 2002;

“**prompt date**” means the date specified in the sales catalogue on which coffee sales proceeds are to be received by a marketing agent from the dealers or buyers;

“**sales catalogue**” means a document prepared by a marketing agent for sale of clean coffee at the Nairobi Coffee Exchange and through the direct sale;

“**specialty coffee**” means Kenya mild arabica coffee grown above 1,200 metres above sea level and possessing special characteristics defined by the buyer prior to entering into the contract and made known to the Board in writing by the grower or his or its marketing agent.

[L.N. 100/2006, s. 2(a).]

### PART II – REPRESENTATIVES OF COFFEE GROWERS AT ANNUAL AND SPECIAL GENERAL MEETINGS CONVENED BY THE BOARD

#### 3. Meetings to which this Part applies

This Part applies to an annual or special general meeting referred to in section 16 of the Act.

#### 4. Representation of pulping stations

(1) A co-operative society shall, in respect of each pulping station, be entitled to five representatives at a meeting distributed evenly on a pulping station catchment area basis and elected by members of the pulping station:

Provided that—

- (a) where a co-operative society does not have a pulping station, it shall be treated as having one pulping station and any reference to a pulping station in this Part shall be deemed to include such co-operative society; and
- (b) no pulping station shall qualify to elect representatives under this rule, or to participate at a meeting unless the pulping station has been active in delivery of coffee during the past one year immediately preceding the meeting.

(2) Every registered plantation grower shall be entitled to send one representative to a meeting, who shall be the owner or a director or partner of the owner of the plantation.

(3) The manager of a pulping station in a co-operative society and each plantation grower shall submit to the Board the names of the representatives they are respectively entitled under this rule to send to a meeting for the purpose of preparing the representatives register.

#### 5. Covering of meetings

The Board shall give registered plantation growers and pulping stations twenty-one days' notice in writing of any meeting to which this Part applies which it proposes to convene.

### PART III – REGISTRATION AND LICENSING

[L.N. 100/2006, s. 3.]

#### 6. Certain registration requirements

(1) A person who applies for registration, or for licensing for the first time, shall submit to the Board certified copies—

- (a) in case of a co-operative society, a growers' association or a plantation owner, a certified copy of its certificate of registration and registered by-laws or constitution, as the case may be;
- (b) in case of a company, a certified copy of its certificate of incorporation and memorandum and articles of association;
- (c) in case of an individual, proof of ownership of the business.

(2) An application for a renewal of a licence shall be accompanied by a copy of the list of the current office bearers and board of directors, as the case may be, of the entity making the application.

[L.N. 100/2006, s. 4.]

#### 7. Cancellation or suspension of licences

(1) The Board may cancel, suspend or refuse to renew the licence of any person—

- (a) who contravenes any of the provisions of the Act or these Rules; or
- (b) who does not meet the requirements of, or who contravenes the terms and conditions attached to, the licence.

(2) Before taking action under this rule, the Board shall serve notice on the licensee inviting him to write to the Board to show cause why the action ought not to be taken, and affording him a reasonable time within which to do so.

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**[Subsidiary]**

(3) Any licensee aggrieved by the decision of the Board under this rule may, within thirty days after the decision has been communicated to him, appeal to the Minister, whose decision shall be final.

**8. Registration of plantation growers**

A person having four or more hectares of coffee planted in an area within reasonable proximity of a co-operative society, or having two or more hectares planted in any area outside such proximity, and who in either case is licensed to operate a pulping station, may be registered as a plantation owner.

[L.N. 100/2006, s. 5.]

**PART IV – COFFEE CULTIVATION AND PRIMARY PROCESSING****9. Notice to be given of coffee planted or uprooted**

(1) Every plantation owner who plants or uproots his coffee shall, within six months after doing so, inform the Board in writing of the area of coffee planted or uprooted.

(2) Every owner who is a member of a co-operative society who plants or uproots his coffee shall, within six months of doing so, inform the co-operative society in writing of the area planted or uprooted, and the co-operative society shall forthwith give written notice thereof to the Board after registering such details from the owner.

[L.N. 100/2006, s. 6.]

**10. Changes to be registered with Board or Co-operative Society**

Every grower who changes the name of his farm or estate, its land reference number or its distinguishing marks registered with the Board, whether on a subdivision of the estate or otherwise, shall report such changes—

- (a) to the Board, in the case of a coffee plantation grower; or
- (b) to the co-operative society, in the case of a grower member of a co-operative society:

Provided that the Board shall not effect such charges unless the grower has cleared all the liabilities with financiers or has agreed to liquidate such liabilities.

[L.N. 100/2006, s. 7.]

**11. Coffee seeds and plant materials**

(1) No person, other than the Coffee Research Foundation and its authorized agents operating laboratories or tissue culture units under the supervision of the Coffee Research Foundation, shall issue certified coffee seeds or seedlings for multiplication in any nursery to any other grower or for export without the approval of the Kenya Plant Health Inspectorate Service.

(2) No certificate or authority to prepare coffee seedlings or plant materials shall be granted by the Board unless the applicant for the certificate or authority holds a phytosanitary certificate issued by the Kenya Plant Health Inspectorate Service.

(3) A person shall not operate a private or commercial coffee nursery without registration by the Board.

[L.N. 79/2012, s. 2.]

**12. Minister to take measures to contain coffee diseases**

Whenever it appears to the Minister that there is a threat to coffee trees through disease or insect pests, to an extent that endangers neighbouring coffee farms or plantations or that is likely to seriously affect the quality of produce thereon, he may by order prescribe such measures as are necessary to contain such threat.

**13. Grower miller to submit records to Board**

A grower who or which mills and markets his or its own coffee shall ensure that the delivery records are submitted to the Board for the Board's examination and record.

[L.N. 100/2006, s. 8.]

**14. Movement permit**

(1) No person shall move coffee unless that person has been issued with a movement permit by the Board in respect of that particular consignment of coffee.

(2) No person shall change his name as entered in the movement permit.

[L.N. 100/2006, s. 9.]

**15. Advances and loans**

(1) Cherry and parchment advances may be made to a grower by the marketing agent on such terms and conditions as shall be agreed between the parties.

(2) The World Bank funded Smallholder Coffee Improvement Project being implemented through the Co-operative Bank of Kenya and based on negotiations of the credit agreement between the Co-operative Bank of Kenya, the Government of Kenya and the World Bank shall be upheld and suitable arrangements on loan recovery procedures shall be made simultaneously between the Co-operative Bank of Kenya and marketing agents.

(3) Irrevocable orders issued to the Board by any grower in respect of loan or advance commitments shall be transferred from the Board to the respective marketing agents appointed by the growers:

Provided that where the transfer of irrevocable orders or their re-designation is, in the opinion of the Board, impracticable, the Board, in consultation with financiers, may arrange for the issue of fresh irrevocable orders with the marketing agents.

(4) A marketing agent shall issue growers' payment statements showing loan recoveries as instructed by the growers with the concurrence of the financier.

(5) A marketing agent who fails to deduct and remit loan recoveries as specified in subrule (2) shall pay the interest accruing from the loan during the period when that loan remains outstanding owing to such a delay.

[L.N. 100/2006, s. 10(b).]

**16. Cherry advance system**

(1) No person shall obtain cherry advance under the cherry advance system or demand parchment advances from a financier unless that person has hypothecated crops or stocks and the person has registered a crop development contract with the Board.

(2) The Board shall not register a crop development contract agreement or hypothecation charge in favour of any person if the grower has already entered into a subsisting crop development agreement with another person.

**17. Amendment of by-laws of co-operative society**

A co-operative society may make provision in its by-laws to facilitate payments to growers through coffee factory bank accounts and for purposes of milling and sale of coffee:

Provided that such services of the co-operative society, if offered, shall not be the only option available to the members.

[L.N. 100/2006, s. 11.]

[Subsidiary]

#### **18. Arrangements to be made for loan recovery procedures**

The Board may co-ordinate suitable arrangements between the grower, marketing agents and other financiers on loan recovery procedures.

[L.N. 100/2006, s. 12.]

#### **19. Agreements signed but not executed before commencement of Act**

Subject to these Rules, any contract or agreement that was entered into but was not performed, or was not completely performed, by the former Board prior to its replacement may be regularized by the parties, and the marketing agents may recover the loans or advances and remit the same to the former agents, financiers or the Board, as the case may require, and marketing agents may be required to recover the costs, other charges or loans agreed upon by the parties in any agreement.

#### **20. Board to be informed of abandonment of operation, etc., of pulping station**

Every grower licensed to construct or operate a pulping station who abandons such construction or operation shall so inform the Board in writing within ninety days of doing so.

#### **20A. Notice of appointment of management agent**

Notice of appointment by a grower of a management agent shall be given in writing by the grower to the Board.

[L.N. 100/2006, s. 13.]

### **PART V – COFFEE MILLING**

#### **21. Coffee mills**

(1) All commercial coffee mills shall be located on such land, being either commercial or industrial land in the business area, as may be approved by the local authority.

(2) A person who intends to engage in the business of a coffee miller shall make an application to the Investment Promotion Centre for a general authority in accordance with section 4A of the Investment Promotion Centre Act (Cap. 485).

#### **22. Milling agreements to be in writing**

(1) The terms of agreement between a grower and miller for the milling of coffee shall be reduced to writing.

(2) The agreement shall take the form set out in the First Schedule, with such minor modifications or adaptations, if any, as the parties see fit to make.

[L.N. 79/2012, s. 3.]

#### **23. Coffee to be milled on first in, first out basis**

Every commercial coffee miller shall mill coffee on a first-in, first-out basis:

Provided that nothing in this rule shall relieve the miller of liability in respect of a requirement to deliver coffee to the marketing agent within the period specified in the relevant agreement.

#### **24. Deduction of milling charges**

Except as otherwise agreed between the miller and the grower, milling charges shall be deducted by the marketing agent from the payments due to the grower on each out-turn for remittance to the contracted commercial coffee miller.

**25. Millers to mill coffee within sixty days of receipt**

Except as otherwise agreed between the miller and the grower, a commercial coffee miller shall mill all the coffee in his possession within sixty days after receipt of the parchment coffee from the grower.

**26. Commercial miller to provide returns**

A commercial coffee miller shall, after milling, provide returns of stock and any other returns to the grower, the Board and the marketing agent.

[L.N. 100/2006, s. 14.]

**27. Delivery of milled coffee**

(1) Every commercial coffee miller shall after milling coffee deliver clean coffee within the agreed period to the designated warehouse, from which the marketing agent shall draw samples of coffee for classification.

(2) The coffee so milled shall conform to the standards of the International Standards Organisation and the Kenya Bureau of Standards and shall be in conformity with the seven grades specified in the Second Schedule to these Rules.

**28. Miller to obtain insurance**

(1) Every commercial coffee miller shall take out insurance cover against fire, thefts and other risks for all coffee delivered to him for milling and for milled coffee which has not yet been handed over to the marketing agent.

(2) A commercial miller shall ensure that the coffee in his possession is properly secured to protect that coffee from any damage, pilferage or degeneration in quality.

[L.N. 100/2006, s. 15(b).]

**29. Commercial miller to account for mill by-products**

Every commercial miller shall account for mill spillage or sweepings and all other coffee by-products to the grower through his marketing agent, on a weekly basis or at such other intervals as the Board may determine.

30. A private miller or commercial miller shall not be licensed as a coffee dealer.

[L.N. 100/2006, s. 16, L.N. 79/2012, s. 4.]

**31. Milling charges**

(1) Milling charges shall be declared each year by the miller and monitored by the Board.

(2) A co-operative society's commission used to meet recurrent operating costs shall be set annually by the Commissioner for Co-operative Development as a percentage of the gross receipts by the Co-operative Society, and shall be monitored by the Board.

**PART VI – COFFEE MARKETING AND PAYMENT OF COFFEE PROCEEDS****32. Appointment and termination of management agent**

(1) Notice of the appointment by a grower of a marketing agent shall be given in writing to the Board in the form set forth in the Third Schedule, together with the marketing agency agreement by which he is appointed.

**[Subsidiary]**

(2) A marketing agency agreement shall take the form set out in either the Fifth or the Sixth Schedule, with such minor modifications or adaptations, if any, as the parties see fit to make.

(3) Except as otherwise provided by the marketing agency contract, the contract may be terminated by either party on three months' notice in writing to the other.

(4) Notice of any such termination, whether in accordance with subrule (3) or in accordance with the contract, shall be given to the Board by the party effecting the termination.

[L.N. 100/2006, s. 17, L.N. 79/2012, s. 5.]

**32A. Requirements for marketing agents licence**

An applicant for a marketing agent's licence shall meet the requirements prescribed in the Third Schedule.

[L.N. 100/2006, s. 18.]

**33. Bank guarantee**

(1) A marketing agent shall possess—

- (a) a bank guarantee as specified in the Seventh Schedule;
- (b) evidence of ownership of coffee, by a grower who is licensed as a marketing agent.

(2) A bank guarantee to be given to the Board as required by section 24(1)(a) of the Act shall be given by a bank licensed by the Central Bank of Kenya.

(3) In case of default in the payment due to the grower or any institution the Board may have recourse to the bank guarantee and shall ensure that the affected grower or institution is duly paid.

(4) The grower may for this purpose appoint the Board, his financier or both as the attorney to call up the guarantee on his behalf in order to enforce the guarantee in case of default.

[L.N. 100/2006, s. 19, L.N. 79/2012, s. 6.]

**33A. No exporter, roaster to be marketing agent**

No dealer who exports coffee and no roaster of coffee shall be licensed as a marketing agent.

[L.N. 186/2007, s. 2.]

**34.** A dealer shall not be licensed as a marketing agent.

[L.N. 100/2006, s. 20, L.N. 79/2012, s. 7.]

**35. Statutory deductions**

A marketing agent shall remit the statutory deductions to the respective institutions to which they are due as soon as practicable but in any event not later than seven days after the prompt date.

**36. Marketing agent to disclose selling price, etc.**

(1) The marketing agent shall disclose to the grower and the Board the selling price at the auction and in direct sales, all other deductions and all material facts pertaining to any transaction on coffee.



(2) A marketing agent who contravenes subrule (1) commits an offence.

(3) The contract for direct sales shall be registered with the Board and shall be in the form specified in the Ninth Schedule.

[L.N. 100/2006, s. 21.]

### 37. Promotion of Kenya coffee

A marketing agent shall contribute to the promotion of Kenya coffee both in the local and overseas markets and shall ensure that coffee received by him from a grower is sold at the best price available.

[L.N. 100/2006, s. 22.]

### 38. Books of account by marketing agent etc.

(1) A marketing agent shall maintain and preserve, for a period of at least seven years, audited books of accounts in a form prescribed by the Board together with any related documents, and shall produce the same for inspection if required to do so by the Board or an inspector, and failure to do so shall constitute an offence.

(2) A marketing agent shall not wilfully or by culpable negligence fail to disclose all material facts of any transaction in coffee to the grower.

### 39. Other duties of marketing agent

(1) Every marketing agent shall take out insurance cover against fire, theft and other risks for all clean coffee in his possession.

(2) A marketing agent shall take all reasonable steps to ensure that delivery of coffee from the grower is continuous, that coffee is available for milling and later for auction or direct sales and that supply is assured to buyers and exporters.

(3) A warehousing facility used by a marketing agent shall be sufficient for the storage of coffee at the level of stocks to be held and nothing shall prevent the marketing agent from hiring a warehousing facility provided such facility is approved by the Board prior to it being used as a coffee warehouse.

(4) A marketing agent shall ensure there are adequate coffee samples in the central trade sample room of the Nairobi Coffee Exchange.

[L.N. 100/2006, s. 23.]

### 40. Funds accruing from coffee cess

The funds accruing from the coffee cess for the maintenance of coffee roads shall be dealt with in accordance with the provisions of the Local Government Act (Cap. 265) and the Agriculture Act (Cap. 318) applying to the agricultural produce cess.

41. Deleted by L.N. 100/2006, s. 24.

### 42. Advertisements, etc., by marketing agent to be factual, etc.

(1) All advertisements and literature sent or given by a marketing agent to a grower shall be factual, and any statement and professional opinion given by the agent shall be aimed at assisting the grower.

(2) No claim with respect to competence to undertake research or analysis, or the possession of facilities or other capacity, may be made by the agent beyond those actually possessed by the agent making the claim to the grower.

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**[Subsidiary]**

(3) A marketing agent shall not give any misleading professional opinion or make any false advertisement or statement to a grower with intent to mislead the grower.

**43. Marketing agent to submit to Board audited accounts**

A marketing agent may be required to submit to the Board audited accounts within six months following the close of its financial year.

**44. Marketing agent to publish tariffs, etc.**

A marketing agent shall publish his tariffs, fees and rates of service charges in his bulletin, and shall inform the growers and the Board in writing of any changes at least three months before the effective date.

[L.N. 79/2012, s. 8.]

**45. Late payments to attract interest**

A marketing agent who fails to remit in total the net value of the grower's coffee proceeds within the stipulated period shall be liable to pay, together with the un-remitted sum, interest at the prevailing commercial lending rate of the guaranteeing bank, from the date of default to the date of actual payment.

**46. Reporting of matters affecting the industry**

A marketing agent shall immediately report to the Board and to any other relevant authorities any natural disaster such as floods, drought, outbreak of disease, pests or other calamity known to him and which is likely to adversely affect the coffee industry.

**PART VII – DEALING IN AND MOVEMENT OF COFFEE****47. Certificates**

(1) No person shall export coffee or cause any coffee to be exported unless either a certificate of inspection, a certificate of origin or a certificate of re-export, as the case may require, relating to such coffee is produced to the Commissioner of Customs and Excise before such export.

(2) No coffee grown outside Kenya shall enter Kenya in transit for export unless accompanied by a certificate of origin.

(3) No coffee imported into Kenya shall be subsequently exported in any condition or quantity other than that in which it was imported into Kenya except with a certificate of re-export.

(4) A certificate of origin for coffee produced outside Kenya shall be valid only if issued by the certifying agency of the relevant country and endorsed and completed by the relevant Government agency of that country.

(5) A certificate of origin for coffee grown in Kenya, and any certificate of re-export for coffee grown outside Kenya but re-exported from Kenya, shall be issued only by the Board.

(6) In this rule—

“**certificate of inspection**” means a certificate issued by the Board for all coffee produced in Kenya and destined for export;

“**certificate of origin**” means a certificate issued by the certifying agency indicating the country of origin of coffee;

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**[Subsidiary]**

**“certificate of re-export”** means a certificate issued by the certifying agency indicating that the coffee had been imported into the country and underwent further processing and is now being re-exported;

**“certifying agency”** means an authority competent, under the laws of another country, to issue certificates in respect of the country of origin, exportation and other matters relating to coffee.

[L.N. 100/2006, s. 25]

**47A. Buyer, etc., of specialty coffee to provide details**

A buyer of specialty coffee and the grower or its marketing agent shall each provide the Board with full details of specialty coffee intended for export indicating the name of the grower, type, grade, class and the special characteristics, quantity, price, name of buyer and destination.

[L.N. 100/2006, s. 26.]

**47B. Requirements for arrangements for specialty coffee**

Any person intending to enter into special arrangements with a grower to produce specialty coffee for export shall—

- (i) enter into formal contracts with a grower specifying the rights and obligations of the grower on one part and the contracting person on the other;
- (ii) ensure that the grower receives the highest percentage of the price obtained from the transaction; and
- (iii) register the transaction with the Board before execution.

[L.N. 100/2006, s. 26.]

**47C. Inspection of specialty coffee facilities, etc.**

Any person contracted to produce and market specialty coffee shall give access to persons authorized by the Board to inspect the farms, processing facilities, warehouses and shall, when required to do so, to produce for the purpose of inspection any document or information related to production, processing and export of the coffee.

[L.N. 100/2006, s. 26.]

**48. Stock returns by licensed dealer**

(1) Every licensed dealer, marketing agent, shall submit to the Board two copies of a return of the total stock of coffee held by such licensed dealer, marketing agent, on a monthly basis.

(2) The Board may, upon receipt of returns under this rule and upon such inquiry or investigation as it may think necessary, issue to the applicant a stock certificate relating to a quantity of coffee in such form and containing such particulars as the Board may prescribe.

[L.N. 100/2006, s. 27, L.N. 79/2012, s. 9.]

**49. No further post auction trade, etc.**

There shall be post-auction trade between dealers and such trade shall be limited to a maximum of ten per cent of the total volume of coffee bought at the auction by a dealer and the dealer shall submit returns to the Board.

[L.N. 100/2006, s. 28, L.N. 79/2012, s. 10.]

**49A. Local contract of sale, etc., not direct sale**

A local contract of sale between a marketing agent and a dealer or a buyer located in Kenya shall not qualify as direct sale.

[L.N. 100/2006, s. 29.]

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[Subsidiary]

**50. Prohibition of blending foreign and Kenya Coffee**

No person shall blend any or various grades or classes of coffee produced in Kenya with any other coffees produced outside Kenya and any coffee so blended shall not be represented by any person to have Kenya as its origin.

51. Deleted by L.N. 100/2006, s. 30.

**52. Marketing agent to issue certificate of purchase**

A marketing agent shall, after every sale of coffee, issue to the purchaser a certificate of purchase in such form, and containing such details of the coffee purchased, as the Board may prescribe.

**53. Offence to alter certificate of origin**

No person shall alter any certificate of origin, any certificate of inspection or any certificate of re-export, certificate of purchase, stock certificate or other document prepared for the purposes of these Rules.

[L.N. 100/2006, s. 31.]

**54. Dealer to submit to Board certain particulars**

A licensed dealer or marketing agent exporting any coffee shall, within fourteen days of the export of that coffee, submit to the Board a copy of the relevant certificate of origin or certificate of re-export, as the case may be, stamped by the Commissioner of Customs and Excise, together with a non-negotiable bill of lading relating to the coffee.

[L.N. 100/2006, s. 32.]

**55. Movement permit**

(1) No person shall move coffee or cause any coffee to be moved without an original movement permit issued by the Board.

(2) Duplicate copies or photocopies of the original movement permit shall not be used or allowed for coffee movement.

(3) A person who moves coffee contrary to this rule commits an offence.

[L.N. 100/2006, s. 33.]

**56. Exemption for small quantity**

Nothing in these Rules shall apply to the export or despatch of any coffee when the coffee concerned—

- (a) consists only of a sample or a parcel not exceeding 20 kg in weight; or
- (b) is for consumption on ships, aeroplanes or other international carriers.

**57. Coffee warehouses to be designated as such**

(1) No premises or building shall be designated as a coffee warehouse by the Board until the premises have or building has been inspected and an inspection report filed with the Board.

(2) An inspection report referred to in subrule (1) shall conform to the standards set by the Kenya Bureau of Standard's specifications and shall include the relevant certification by a public health officer.

(3) No building or premises shall be used as a coffee warehouse unless it is designated as such and registered by the Board.

[Subsidiary]

(4) A person who operates or utilizes a building or premises contrary to this rule commits an offence.

[L.N. 100/2006, s. 34.]

#### **58. Monitoring of agents**

(1) The Board shall monitor the movement of parchment coffee between stores and the movement of clean coffee and hulled buni to the market in order to ensure that the coffee is safe from pilferage.

(2) The Board shall cause warehouses and warehousing activities to be inspected on regular basis.

[Corr. No. 114/2002, L.N. 100/2006, s. 35.]

#### **59. Coffee not to be removed without coffee warrant**

No coffee shall be removed or caused to be removed from a coffee warehouse without a coffee warrant issued by the marketing agent and registered with the warehouseman.

#### **60. Prohibition of lien over coffee by warehousemen**

No warehouseman shall have a lien of any nature over coffee whether in his possession or not.

#### **61. Warehouseman to insure coffee in his custody**

Every warehouseman shall take out insurance cover for all coffee in his warehouse or under his custody against fire, theft and any other relevant insurable risk.

### **PART VIII – GENERAL PROVISIONS**

#### **62. Management of Nairobi Coffee Exchange**

The Nairobi Coffee Exchange shall be managed by the Exchange Committee as provided for in the Nairobi Coffee Exchange Trading Rules.

[L.N. 100/2006, s. 36, L.N. 79/2012, s. 11.]

#### **63. Dispute resolution**

(1) Where any dispute arises between any two or more persons required to be licensed or registered under the Act, the disputing parties may refer the matter to the Board for resolution.

(2) On referral to it of a matter under this Rule, the Board may refer the matter to an arbitration panel which shall consist of five members appointed as follows—

- (a) one member appointed by each party to the dispute;
- (b) two members appointed by the Board;
- (c) the chairman of the panel, who shall be appointed by the Board:

Provided that the Board may constitute a panel of at least three members in case one of the disputing parties does not appoint the required arbitrator.

(2) The quorum for the business of the arbitration panel shall be three members.

(3) The Board shall make the final decision based on the findings and recommendations of the arbitration panel.

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[Subsidiary]

#### 64. Board to appoint inspectors

(1) The Board may appoint inspectors to conduct independent inspection of a grower's farm or a mill or warehouse or marketing or management agent's or dealer's premises to ascertain whether the requirements of the Act and these Rules are being complied with.

(2) A grower, miller, warehouseman or marketing agent, dealer, management agent shall afford the inspector full and free access and all necessary assistance to any such inspector.

(3) No coffee grower, miller, marketing agent, dealer, management agent, or warehouseman, and no agent of such grower, miller, marketing agent, dealer, management agent, or warehouseman, shall refuse entry to an inspector acting in the course of that inspector's duty or obstruct an inspector from making an entry or conducting an inspection of mill or premises.

[L.N. 100/2006, s. 37, L.N. 79/2012, s. 12.]

#### 65. No seals, labels, etc., to be removed

No agent, and no person employed by an agent, shall, otherwise than with express written authority of the grower, remove labels or seals or open technically sewn or closed packets of coffee unless for the purpose of inspection to determine their validity and genuineness or with other reasonable cause.

#### 66. Sampling of coffee

(1) Sampling of parchment coffee by a miller shall be limited to one kilogram per sample, while sampling of clean coffee by marketing agents shall be limited to 200 grams per sample, and the value of the sample shall be accounted for.

(2) Sampling of the coffee lots for the purposes of sale of the grower's coffee by the marketing agent, shall be done in accordance with the current international procedures or with such standards as may be approved by the Board.

[L.N. 100/2006, s. 38.]

#### 67. Engagement of experts

(1) For the purpose of determining milling standards, all millers shall engage qualified coffee liquorers and other coffee experts.

(2) For the purpose of determining coffee classifications, every marketing agent shall engage qualified coffee liquorers and other appropriate coffee experts.

(3) Every miller, marketing agent, or dealer shall engage a registered coffee liquorer.

(3A) A person intending to act as a coffee liquorer shall apply to be registered as a coffee liquorer by the Board.

(4) The Board may demand evidence of engagement of a liquorer by a miller, marketing agent, or dealer.

[L.N. 100/2006, s. 39.]

#### 67A. Licences to be under seal

All licences issued by the Board shall be under seal.

[L.N. 100/2006, s. 40.]

68. General penalty, etc.

(1) A person who contravenes any provisions of these Rules commits an offence.

(2) A person who commits an offence under these Rules shall be liable to a fine of not less than one hundred thousand shillings and not exceeding five hundred thousand shillings or to a term of imprisonment of not less than one year and not exceeding two years or to both fine and imprisonment.

[L.N. 100/2006, s. 41.]

69. Temporary provision

(1) A person who—

(a) immediately before the repeal of the Coffee Act (Cap. 333), was lawfully engaged in any business or activity for which a licence or certificate of registration is now required under the Coffee Act, 2001 (No. 9 of 2001); and

(b) applies for the licence or certificate,

may continue to engage in the business or activity pending determination of the application.

FIRST SCHEDULE

[Rule 22, L.N. 100/2006, s. 42.]

MILLING AGREEMENT

AGREEMENT made this ..... day of ..... two thousand and .....

BETWEEN:

..... of ....., a licensed miller [Licence No. ....] (hereinafter called the "miller", which expression shall where the context so admits include his or its successors and assignees) of the First Part;

AND

..... of ..... a registered grower of coffee [Registration No. ....] (hereinafter called the "grower", which expression shall where the context so admits include his or its successors and assignees) of the Second Part.

WHEREAS:

- (a) the miller is duly licensed under the Coffee Act, 2001 and the rules made thereunder; and
(b) the grower has requested the miller to provide milling services and the miller has agreed to provide such services to the grower upon the terms and conditions appearing hereinafter.

NOW IT IS HEREBY AGREED BETWEEN THE PARTIES AS FOLLOWS:

- 1. The grower shall deliver the parchment coffee and buni under the conditions herein stipulated in respect of moisture content, properly labelled bags, well sorted out to distinguish different grades and without foreign matter and the miller shall reserve the right to refuse to accept delivery or provide services if the grower fails to comply with the said conditions.
2. Transport services from the factories of the grower to the mills may be provided by the miller at such rate of charge per bag as may be agreed between the parties. The transport of milled coffee and buni to the marketing agent shall also be charged at such rate of charge per bag as may be agreed between the parties, all milled coffee and buni being securely transported as per the grower's delivery note and confirmation slips, the grower ensuring that all movements of coffee are covered by the Board's movement permits before transportation or as directed by the Board.

Coffee

[Subsidiary]

FIRST SCHEDULE—continued

- 3. The grower shall ensure that all coffee in transit to mills is properly insured while the miller shall take out insurance against fire and burglary and any other risk for the coffee delivered for milling until the coffee is handed over to the marketing agent.
- 4. The grower agrees to pay—
  - (a) milling charges at the rate of ..... US\$;
  - (b) transport charges at the rate of ..... US\$;
  - (c) storage charges at the rate of ..... US\$;
  - (d) drying charges at the rate of ..... US\$;
  - (e) colour sorting charges at the rate of ..... US\$; and
  - (f) hand sorting charges at the rate of ..... US\$
 per bag of parchment or buni milled.
- 5. Drying of coffee received at the mills will be charged according to the moisture content after consent to dry the coffee has been sought and obtained from the client before the drying process starts.
- 6. Milling shall be done on a first-in first-out basis and empty bags shall remain the property of the grower and shall be returned to him with or without charge.
- 7. The miller shall ensure that the coffee in his possession is properly stored and secured to protect it from any damage, pilferage or loss of quality.
- 8. The miller shall submit the milling out-turn statement to the grower as set out in Form F1 in the Coffee (Forms) Rules.

IN WITNESS WHEREOF the parties hereto have executed this Agreement on the day and date first hereinbefore mentioned.

.....  
SIGNED for or on behalf of the miller: in the presence of:

.....  
SIGNED for or on behalf of the grower: in the presence of:

SECOND SCHEDULE  
[Rule 27.]

OFFICIAL COFFEE GRADES

Grade	General Description	Screen number on which beans are retained. (Sizes as per KSOS-174 or 150415-1980)
E	Elephant – two beans joined together, a genetic defect and includes very large (bold) AA	Retained on 21 (size diameter 8.3 mm)
PB	Pea berries – one ovule develops instead of the usual two	Through 17 retained on 12 (4.76 mm)
AA	Flat beans	Through 21 retained on 18 (7.2 mm)
AB	Flat beans	Through 18 retained on 16 (6.35 mm)



Coffee

[Subsidiary]

SECOND SCHEDULE—continued

Grade	General Description	Screen number on which beans are retained. (Sizes as per KSOS-174 or 150415-1980)
C	Small flat beans	Through 16 retained on 10 (3.96 mm)
TT	Light density beans, from AA, AB and E grades by air extraction	
T	Smallest, consists of broken and small C	Through screen No. 7 (2.9 mm)

Where coffee grade is specified a minimum 95% of beans shall fall in that grade category.

THIRD SCHEDULE

[Rule 32, Act No. 9 of 2001, L.N. 100 of 2006, s. 43.]

NOTICE OF APPOINTMENT OF MARKETING AGENT

The Managing Director  
Coffee Board of Kenya  
P.O. Box 30566  
NAIROBI

I/We hereby appoint ..... of post office number .....  
telephone number ..... as my/our marketing agent for my/our coffee grown on  
land parcel reference number ..... situated at: .....  
Sub-location: .....  
Location: .....  
Division: ..... District: .....

Grower's address .....

Grower's registration no. ....

Grower's name .....

.....  
*Signature*

FOURTH SCHEDULE

[Rule 32, L.N. 100/2006, s. 44.]

REQUIREMENTS FOR LICENSING MARKETING AGENT

In considering an application for the registration of a marketing agent, the Board shall take into account the following matters—

- (i) demonstrated access to coffee markets and capacity to market coffee;
- (ii) demonstrated capacity to carry out market research and intelligence;
- (iii) bank guarantee in favour of the grower (one and half times the value of coffee transacted by the marketing agent);

**[Subsidiary]**

- (iv) whether the applicant is registered as a marketing agent by the Board and has a certificate of registration;
- (v) appointment by a grower to be his or its marketing agent;
- (vi) conducts business in the premises as specified in the register;
- (vii) pass integrity test (vetting by appropriate authority as provided for by section 19 of the Act) and free from indebtedness to farmers or farmers' organizations;
- (viii) certificate of incorporation as a company or certificate of registration as the case may be;
- (ix) must have a qualified liquorer;
- (x) if a holding company, give a list of associated companies;
- (xi) must give a business referee;
- (xii) must have a tripartite agreement with a financier, grower and the marketing agent;
- (xiii) in case of a company, information of paid up capital;
- (xiv) payment of annual licence fees;
- (xv) evidence of own coffee in case of a grower by providing the following information; acreage, location of farm, LR. No., production records for the last three years.

---

FIFTH SCHEDULE

[Rule 32, L.N. 100/2006, s. 45.]

MARKETING AGENCY AGREEMENT

AGREEMENT made this ..... day of ..... two thousand and .....

BETWEEN:

..... of ....., a marketing agent

[Licence No. .... and Registration No. ....]

(hereinafter called the "marketing agent", which expression shall where the context so admits include its successors and assignees) of the First Part;

AND

..... of .....,

..... a registered grower of coffee [Registration No. ....]

(hereinafter called the "grower", which expression shall where the context so admits include its successors and assignees) of the Second Part.

WHEREAS:

- (a) the marketing agent is duly licensed under the Coffee Act, 2001 and the rules made thereunder; and
- (b) the grower has requested the marketing agent to provide the services referred to below and the marketing agent has agreed to provide such services to the grower upon the terms and conditions appearing hereinafter.

FIFTH SCHEDULE—*continued*

NOW IT IS HEREBY AGREED BETWEEN THE PARTIES AS FOLLOWS:

1. The grower appoints the marketing agent as the grower's sole marketing agent, for the duration of this Agreement, for the purpose of marketing and selling coffee on behalf of the grower in accordance with the provisions of the Coffee Act, 2001.
2. The marketing agent hereby agrees to take over any contractual obligations of the Coffee Board of Kenya arising under the irrevocable letter of instructions on payment of coffee proceeds issued by the grower to the Board pursuant to hypothecation of stock securities held by the financier.
3. In carrying out its obligations under this Agreement the marketing agent undertakes to conduct his business diligently and professionally at all times in the best interest of the grower.
4. The marketing agent shall sell the coffee at the auction or through direct sales and obtain the best price available in the particular crop year. Upon receipt of any proceeds, the same shall be paid directly to the grower's account as hereinafter provided.
5. The marketing agent shall keep proper and clean records of all coffee delivered to him and of any other services rendered to the grower, and shall in a timely manner render to the grower schedules of out-turns and of all statutory and other deductions made from the proceeds of sale of coffee on the grower's behalf.
6. Save as otherwise provided in the Act and any other applicable law, the marketing agent shall not have a general lien over the grower's payments due from any agency or source.
7. The marketing agent shall—
  - (a) advise the grower on matters pertaining to sales of coffee;
  - (b) receive coffee from millers on behalf of the grower;
  - (c) warehouse, grade and classify coffee by liquoring or otherwise;
  - (d) prepare the coffee sales catalogues after coffee has been delivered by the miller at the designated warehouses;
  - (e) deliver coffee samples to the central trade sample room of the Nairobi Coffee Exchange;
  - (f) set the reserve price in consultation with the grower;
  - (g) reveal the price and agree with the grower for coffee sold through direct sales;
  - (h) monitor the sale of coffee at the Nairobi Coffee Exchange and international coffee exchanges;
  - (i) facilitate the auctioning of coffee at the Nairobi Coffee Exchange and direct sale market;
  - (j) receive the proceeds of sale of coffee and promptly remit the same after making statutory and other deductions;
  - (k) prepare and issue coffee storage warrants;
  - (l) provide such advice from time to time as the grower may reasonably require in relation to milling out-turns and grading, proper financial management, liaison with the miller, financial services to be provided and interest rates and repayment schedules agreed upon with the grower;
  - (m) provide such advice from time to time as the grower may reasonably require in relation to coffee marketing and warehousing facilities, coffee processing, handling, storage, milling, grading and classification, sourcing funds, cherry or parchment advances and financing;
  - (n) appoint a reputable insurance company to insure the coffee in his possession;
  - (o) appoint a duly licensed auctioneer to auction the coffee in case of coffee sold through the Nairobi Coffee Exchange;
  - (p) the marketing agent shall ensure that the coffee in his possession is properly stored and secured to protect it from any damage, pilferage or degeneration in quality.
8. The grower shall pay to the marketing agent fees in an amount not exceeding three per cent (3%) of the gross coffee sale proceeds.
9. This Agreement shall bind the parties for a period of one year from the date of its coming into operation.

[Subsidiary]

FIFTH SCHEDULE—continued

- 10. Either the grower or the marketing agent may terminate this Agreement by giving the other party at least three months' notice in writing:  
 Provided that no such termination shall in any way affect any accrued right of either party hereunder.
- 11. Coffee sold by the marketing agent on the grower's behalf shall be sold on condition that ownership of coffee shall not pass to the buyer unless and until it has been paid for.
- 12. (1) All coffee proceeds received by the marketing agent, less the statutory deductions, milling costs, warehousing, insurance costs, auctioneer's fees and other proper charges, shall be paid directly to such bank account of the grower as the grower may from time to time in writing direct, such payments to be made—
  - (a) as soon as practicable but in any event not later than seven days from the prompt date, as provided by section 35 of the Act; and
  - (b) in United States dollars or such other hard currency as may from time to time be agreed and as the rules of the Coffee Exchange may permit.
- (2) If the marketing agent shall fail to remit the balance of the proceeds of sale by the due date, he shall be liable to pay, on the outstanding balance from time to time of the unremitted sum, interest at the prevailing commercial lending rate of the guaranteeing bank, compounded daily, from the date on which the payment was due until the date when the payment is made.
- 13. By this Agreement the grower irrevocably authorizes and directs the marketing agent to deduct the milling, other charges and any credit or advance hypothecated on the crop and after statutory deductions to remit the balance as hereinbefore provided.
- 14. The grower authorizes the marketing agent to deduct not more than—
  - (a) ..... per cent ( ..... %), being the total marketing charges;
  - (b) one per cent (1%) being *ad valorem* levy due to the Board;
  - (c) two per cent (2%) being *ad valorem* levy due to the Foundation;
  - (d) one per cent (1%) being the produce cess from coffee sales proceeds, and distributed in the ratio of 0.8% to Kenya Roads Board and 0.2% to the county councils and to pay the said percentages to the parties entitled to them and remit the balance to the grower in the manner hereinbefore provided.
- 15. The fees of any auctioneer appointed by the marketing agent shall not exceed ..... per cent ( ..... %) of the gross sales of the grower's coffee.
- 16. The marketing agent shall appoint an insurance company to insure the grower's coffee in his possession.
- 17. Delivery of coffee shall be the basis of payments or advances and loans to growers but the marketing agent shall give tariffs and rates for service and in case of any changes he shall advise the grower in writing at least three months before the effective date.
- 18. In his dealings with the grower, the marketing agent shall observe and comply with any requirements of the Coffee Act, 2001 and of the rules made thereunder.
- 19. All the parties to this Agreement affirm and undertake to honour all obligations among them including, but not limited to, all irrevocable payment instructions that may be issued by the grower to the Board or any other marketing agents from time to time.
- 20. Any disputes and differences which may arise between the parties hereto in connection with this Agreement shall be referred for arbitration to the Board as provided for in rule 63.
- 21. Any notice under this agreement shall be in writing and shall be deemed to have been duly given or made if delivered at the offices for the time being of the parties hereto or sent by pre-paid letter of post to the last known addresses of the parties hereto, and if sent by post such notice shall be effectual for all purposes four days after the date of posting thereof and in proving service by post it shall be sufficient to prove that the letter containing the notice was properly stamped, addressed and put into the Post Office.

FIFTH SCHEDULE—continued

IN WITNESS WHEREOF the parties have hereunto executed this Agreement on the day and date first hereinbefore mentioned.

.....  
SIGNED for and on behalf of the marketing agent: in the presence of:

.....  
SIGNED for and on behalf of the grower: in the presence of:

SIXTH SCHEDULE

[Rule 32, L.N. 100/2006, s. 47, 48]

TRIPARTITE MARKETING AGENCY AGREEMENT

AGREEMENT made this ..... day of ..... two thousand and .....

BETWEEN:

..... of ..... marketing agent  
[Licence No. .... and Registration No. ....]

(hereinafter called the "marketing agent", which expression shall where the context so admits include its successors and assignees) of the First Part;

AND

..... of .....  
..... a registered grower of coffee [Registration No. ....]

(hereinafter called the "grower", which expression shall where the context so admits include its successors and assignees) of the Second Part;

AND

..... of ..... (hereinafter called the "financier", which expression shall where the context so admits include its successors and assignees) of the Third Part.

WHEREAS:

- (a) the marketing agent has been duly licensed under the Coffee Act, 2001 and the Rules made thereunder as a marketing agent;
- (b) the grower has appointed the marketing agent as his or its marketing agent to market his or its coffee upon the terms and conditions hereinafter appearing;
- (c) the financier has provided and/or continues to provide finance and/or extend financial accommodation to the grower and/or marketing agent, upon terms and conditions hereinafter appearing.

NOW IT IS HEREBY AGREED BETWEEN THE PARTIES AS FOLLOWS:

1. The grower appoints the marketing agent as the grower's sole marketing agent, for the duration of this Agreement, for the purpose of marketing and selling coffee on behalf of the grower in accordance with the provisions of the Coffee Act, 2001.

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[Subsidiary]

SIXTH SCHEDULE—*continued*

2. The marketing agent hereby, agrees to take over any contractual obligations of the Coffee Board of Kenya arising under the irrevocable letter of instructions on payment of coffee proceeds issued by the grower to the Coffee Board pursuant to hypothecation of stock securities held by the financier.
3. In carrying out its obligations under this Agreement the marketing agent undertakes to conduct his business diligently and professionally at all times in the best interest of the grower.
4. The marketing agent shall sell the coffee at the coffee auction or through direct sales and obtain the best price available in the particular crop year. Upon receipt of any proceeds, the same shall be paid directly to the grower's account with the financier as hereinafter provided.
5. The marketing agent shall keep proper and clean records of all coffee delivered to him and of any other services rendered to the grower, and shall in a timely manner render to the grower schedules of out-turns and of all statutory and other deductions made from the proceeds of sale of coffee on the grower's behalf.
6. Save as otherwise provided in the Act and any other applicable law, the marketing agent shall not have a general lien over the grower's payments due from any agency of source.
7. The marketing agent shall—
  - (a) advise the grower on matters pertaining to sales of coffee;
  - (b) receive coffee from millers on behalf of the grower;
  - (c) warehouse, grade and classify coffee by liquoring or otherwise;
  - (d) prepare the coffee sales catalogues after coffee has been delivered by the miller or his agent at the designated warehouses;
  - (e) deliver coffee samples to the central trade sample room of the Nairobi Coffee Exchange;
  - (f) set the reserve price in consultation with the grower and the financier;
  - (g) revealing the price and agreeing with the grower for coffee sold through direct sales;
  - (h) monitor the sale of coffee at the Nairobi Coffee Exchange;
  - (i) facilitate the auctioning of coffee at the Nairobi Coffee Exchange and direct sale market;
  - (j) receive the proceeds of sale of coffee and promptly remit the same after making statutory and other deductions;
  - (k) prepare and issue coffee storage warrants;
  - (l) provide such advice from time to time as the grower may reasonably require in relation to milling out-turns and grading, proper financial management, liaison with the miller, financial services to be provided and interest rates and repayment schedules agreed upon with the grower;
  - (m) provide such advice from time to time as the grower may reasonably require in relation to coffee marketing and warehousing facilities, coffee processing, handling, storage, milling, grading and classification, sourcing funds, cherry or parchment advances and financing;
  - (n) appoint a reputable insurance company to insure the coffee in his possession;
  - (o) appoint a duly licensed auctioneer to auction the coffee in case of coffee sold through the Nairobi Coffee Exchange;
  - (p) the marketing agent shall ensure that the coffee in his possession is properly stored and secured to protect it from any damage, pilferage or degeneration in quality.
8. The grower shall pay to the marketing agent fees in an amount not exceeding three per cent (3%) of the gross coffee sale proceeds.
9. This Agreement shall bind the parties for a period of one crop year from the date of its coming into operation but shall thereafter continue in force until determined in accordance with clause 11 hereof.
10. Either the grower or the marketing agent may terminate this Agreement by giving the other at least three months' notice in writing:

Provided that no such termination shall in any way affect any accrued right of either party hereunder.

SIXTH SCHEDULE—*continued*

11. Coffee sold by the marketing agent on the grower's behalf shall be sold on condition that ownership of coffee shall not pass to the buyer unless and until it has been paid for and the grower has received the balance of the proceeds of sale after statutory and other proper deductions.
12. By this Agreement the grower irrevocably authorizes and directs the marketing agent to deduct the milling, other charges and any credit or advance hypothecated on the crop and after statutory deductions to remit the balance as hereinbefore provided.
13. (1) All coffee proceeds from coffee dealers received by the marketing agent, less the statutory deductions, milling costs, warehousing, insurance costs, auctioneers' fees and other proper charges, shall be paid directly to such bank account of the growers as the grower may from time to time in writing direct, such payments to be made—
  - (a) as soon as practicable but in any event not later than seven days from the prompt date as provided by section 35 of the Act; and
  - (b) in United States dollars or such other hard currency as may from time to time be agreed and as the rules of the Coffee Exchange may permit.
- (2) If the marketing agent shall fail to remit the balance of the proceeds of sale by the due date, he shall be liable to pay, on the outstanding balance from time to time of the unremitted sum, interest at the prevailing commercial lending rate of the guaranteeing bank, compounded daily, from the date on which the payment was due until the date when the payment is made.
14. The grower authorizes the marketing agent to deduct not more than—
  - (a) ..... per cent (..... %), being the total marketing charges;
  - (b) one per cent (1%) being *ad valorem* levy due to the Board;
  - (c) two per cent (2%) being *ad valorem* levy due to the Foundation;
  - (d) one per cent (1%) being the produce cess from coffee sales proceeds, and distributed in the ratio of 0.8% to Kenya Roads Board and 0.2% to the county councils and to pay the said percentages to the parties entitled to them and remit the balance to the grower in the manner hereinbefore provided.
15. The fees of any auctioneer appointed by the marketing agent shall not exceed ..... per cent (..... %) of the gross sales of the grower's coffee.
16. The marketing agent shall appoint an insurance company to insure the grower's coffee in his possession.
17. That the marketing agent may provide other field advisory services, transport, training, coffee seeds or seedlings, storage of coffee or warehousing facilities.
18. Delivery of coffee shall be the basis of payments or advances and loans to growers but the marketing agent shall give tariffs and rates for service and in case of any changes he shall advise the grower in writing at least three months before the effective date.
19. In his dealings with the grower, the marketing agent shall observe and comply with any requirements of the Coffee Act, 2001 and of the rules made thereunder.
20. The grower hereby irrevocably appoints the financier to be the attorney of the grower and in the name and on behalf of the grower to execute and do any assurances acts and things which the grower ought to execute and do under the covenants and agreements contained herein and in the Act and the rules made thereunder, including making claims under guarantees and other legal instruments issued in favour of the grower and generally to use the name of the grower in the exercise of all or any of the powers hereby or by law respectively conferred on the grower or its marketing agents.
21. All the parties to this Agreement affirm and undertake to honour all obligations among them including, but not limited to, all irrevocable payment instructions that may be issued by the grower to the Board or any other marketing agents from time to time.
22. Any disputes and differences which may arise between the parties hereto in connection with this Agreement shall be referred to arbitration in accordance with the provisions of the Arbitration Act.

Coffee

[Subsidiary]

SIXTH SCHEDULE—continued

23. Any notice under this agreement shall be in writing and shall be deemed to have been duly given or made if delivered at the offices for the time being of the parties hereto or sent by pre-paid letter of post to the last known addresses of the parties hereto, and if sent by post such notice shall be effectual for all purposes four days after the date of posting thereof and in proving service by post it shall be sufficient to prove that the letter containing the notice was properly stamped, addressed and put into the Post Office.

IN WITNESS WHEREOF the parties have hereunto executed this Agreement on the day and date hereinbefore mentioned.

.....
SIGNED for and on behalf of the marketing agent: in the presence of:

.....
SIGNED for and on behalf of the grower: in the presence of:

.....
SIGNED for and on behalf of the financier: in the presence of:

SEVENTH SCHEDULE

[Rule 33, L.N. 100/2006, s. 46.]

DEED OF GUARANTEE

DEED OF GUARANTEE made this ..... day of ..... two thousand and ..... by ..... [name of Bank issuing the guarantee] (hereinafter referred to as the 'Guarantor') of ..... [address] whose registered office is situated at .....

WHEREAS:

- (a) ..... [name of marketing agent] of ..... [address] (hereinafter referred to as "the marketing agent") has applied to the Coffee Board of Kenya (hereinafter referred to as 'the Board') under the provisions of section 24(1)(a) of the Coffee Act, 2001 for a licence to conduct business as a marketing agent;
(b) by section 24(1)(a) of the Coffee Act, 2001, the grant of a marketing licence is conditional upon the issuance and production by the marketing agent to the Coffee Board of Bank guarantee for the amounts specified in the said section to be registered in favour of the grower, and appointment of the marketing agent by a grower through specific agreement as the grower's marketing agent; and
(c) the marketing agent has been duly appointed as the marketing agent for the growers specified in the Schedule hereto (hereinafter referred to as "the growers");



SEVENTH SCHEDULE—continued

- (d) the marketing agent has by these presents agreed to take over the contractual obligations of the Board arising under the irrevocable letters of instructions issued by the growers to the Board with regard to payment of the growers' coffee proceeds;
- (e) by these presents the Guarantor has agreed to issue such bank guarantee to be registered by the Coffee Board in favour of the growers as per the terms and conditions hereinafter set out.

NOW THIS DEED WITNESSETH AND THE GUARANTOR HEREBY DECLARES AND WARRANTS AS FOLLOWS:

1. The Guarantor hereby unconditionally and irrevocably guarantees to the Growers and or its marketing agent the due and punctual payment of a sum not exceeding US dollars ..... on demand as and when the same shall become due in accordance with the terms hereof, provided that the amount of the Guarantor's liability under this guarantee shall be limited to US dollars ..... for each grower jointly and severally specified in the attached schedule.
2. If the marketing agent fails to make payment to the growers as per the provisions of the Coffee Act and the tripartite agreement entered into between the Grower, Marketing agent and the financier, the Guarantor agrees to cause any such payment to be made as if such payment were made when due and payable by the marketing agent.
3. The liability of the Guarantor under this Deed of Guarantee shall not be lessened, affected or impaired by any time or indulgence granted to the marketing agent by the Board or by any other person or by any compromise, scheme or arrangement affecting the marketing agent or by the dissolution, liquidation or bankruptcy of the Marketing agent or by any change in the status, functions, control of or ownership of shares in the marketing agent.
4. The Guarantor agrees that its obligations hereunder shall be unconditional, irrespective of the legality, validity, regularity or enforceability of the tripartite agreements or any other agreements engagements or understandings entered into between the growers and any other parties.
5. Save for instances where the Guarantor is also the Financier, all payments by the Guarantor under this Deed of Guarantee shall be made without set-off or counterclaim and free and clear of, and without deduction for any taxes, levies, duties, charges, deductions or withholdings of any nature now or hereafter imposed.
6. The records of the growers held at the Board, as the case may be, shall, in the absence of manifest error, be conclusive evidence of the amount owing and claimable under this Deed of Guarantee and shall be good and sufficient evidence in Court and elsewhere of the Guarantor's liability hereunder.
7. This Deed of Guarantee shall be deposited with and held by the Board until the termination date and for so long thereafter as any claim made under this Deed shall not have been finally adjudicated, settled or discharged.
8. The Guarantor hereby acknowledges the right of the growers or their marketing agent and/or attorney to demand payment under this Deed of Guarantee when the same becomes due under the terms hereof.
9. Any amount received or recovered by the growers in respect of any sum expressed to be due to them or either of them from the Guarantor under this Deed of Guarantee in a currency other than the currency in which the same was due shall only constitute a discharge to the Guarantor to the extent of the amount in due currency which the grower is able to purchase at prevailing rates with the amount so received or recovered in such other currency. If the amount is less the Guarantor shall and hereby indemnifies the grower or its marketing agents and attorneys against any loss sustained by them or either of them as a result thereof.
10. The illegality, invalidity or un-enforceability of any provision of this Deed of Guarantee under the law of any jurisdiction shall not affect its legality, validity or enforceability under the law of any other jurisdiction nor the legality, validity or enforceability of any other provision.
11. Any claim under this Guarantee must be made within thirty (30) days from the date of default and settlement made by the Guarantor within fourteen (14) days from the date of receipt of the claim together with interest on the unpaid funds at the prevailing commercial interest rate applicable to the grower's credit facilities for the period from the due payment date to the grower.

Coffee

[Subsidiary]

SEVENTH SCHEDULE—continued

- 12. Any notice or demand for payment by the grower under this Guarantee shall be in writing or by telex addressed to the Guarantor and shall be deemed to have been duly given or made if delivered at the Guarantor's office for the time being or sent by pre-paid post letter to the Guarantor and shall be effective for all purposes two days after the posting thereof.
- 13. This Deed of Guarantee shall be governed by and construed in all respects in accordance with the Laws of Kenya and the Guarantor agrees to submit to the non-exclusive jurisdiction of the Kenyan courts.
- 14. This Guarantee is in addition to and shall not merge with or otherwise prejudice or affect any contractual right or remedy or any guarantee, indemnity, lien, pledge, bill, note, mortgage, charge or other security now or hereafter held by the grower or the grower's financiers.
- 15. On expiry of 12 months from the date hereof, this guarantee shall be deemed renewed for further periods of 12 months in the absence of 60 days written notice of termination, which notice must be issued to the growers and financier.

SIGNED SEALED AND DELIVERED by the duly constituted attorney of the Guarantor:

.....

in the presence of:

.....

Advocate

\_\_\_\_\_

EIGHTH SCHEDULE

[Deleted by L.N. 79/2012, s. 13.]

\_\_\_\_\_

NINTH SCHEDULE

[Rule 36, L.N. 100/2006, s. 49.]

DIRECT COFFEE SALES CONTRACT

PART I – PARTICULARS OF MARKETING AGENT

- Name .....
- Identity Card No./Certificate of Incorporation No. ....
- Registration No. ....
- PIN No. ....
- VAT No. ....
- Postal address .....
- Telephone .....
- E-mail .....
- Sub-location .....
- Location .....
- Division .....

NINTH SCHEDULE—*continued*

District .....  
L.R. No. or No.s. where applicable .....  
Acreage .....

PART II – PARTICULARS OF OVERSEAS BUYER

Name .....  
Postal address .....  
Registered address .....  
Town/City .....  
Country .....  
E-mail .....

PART III – CONTRACT DETAILS

Contract Ref. No. .....  
Grades of coffee .....  
No. of bags of coffee .....  
Net weight .....  
Price per 60 kg bag .....  
Total Value .....

PART IV – TERMS AND CONDITIONS

Shipment .....  
Payment .....  
Insurance .....  
Sample .....  
Shipper .....  
Destination .....  
Condition (f.o.b.) .....  
Special condition (if any) .....  
Arbitration/Terms .....

I/We certify that the information given above is true to the best of my/our knowledge and information.

\_\_\_\_\_



**COFFEE (GROWER'S LEVY) ORDER, 2002**

[L.N. 383/2002.]

1. This Order may be cited as the Coffee (Growers Levy) Order, 2002.
2. There is hereby imposed a levy, described in section 33 of the Act as a grower's *ad valorem* levy, at the rate of three per centum of the gross sales of all clean coffee sold by each marketing agent on behalf of a grower.
3. The amount of the levy shall be remitted as follows—
  - (a) one per centum of the gross sales referred to in paragraph 2 shall be remitted to the Board; and
  - (b) two per centum of such gross sales shall be remitted to the Coffee Research Foundation.
4. This Order shall be deemed to have come into operation on 2nd July, 2002:

Provided that, for the purposes of the application of this Order in respect of a sale of coffee that took place before the date on which this Order is published in the *Gazette*, the reference in section 33(2) of the Act to the date of receipt of coffee proceeds by a marketing agent shall be deemed to be a reference to the date of such publication.

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**COFFEE (APPLICATION FEES) RULES, 2002**

[L.N. 384/2002.]

1. These Rules may be cited as the Coffee (Application Fees) Rules, 2002, and shall be deemed to have come into operation on 2nd July, 2002.
  2. There shall be an application fee payable to the Board of one thousand shillings for every licence specified under section 18 of the Act.
  3. Notwithstanding the provisions of sections 23(3) and 24(4) of the Act, any registration or certificate of registration shall be subject to payment of a registration fee of five hundred (KSh. 500) shillings to the Board.
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**COFFEE (ELECTIONS) RULES, 2002**

**ARRANGEMENT OF RULES**

*Rule*

1. Citation.
2. Interpretation.
3. Allocation of electoral areas.
4. Registers.
5. Inspection of registers.
6. Representatives of pulping stations or co-operative societies.
7. Representatives of plantation growers.
8. Representatives of coffee trade organizations.
9. Submission of names.
10. Convening of electoral area meetings.
11. Returning officer.
12. Proposal and secondment of candidate.
13. Publication of list of candidates.
14. Elections to be by secret ballot.
15. Candidate to be registered in his area.
16. Procedure at election.
17. Voter to be present in person.
18. Submission of names of elected candidates to returning officer and the Minister.
19. First meeting of the Board.
20. Obstruction of voting.
21. Appeals.
22. General penalty.

**SCHEDULES**

- FIRST SCHEDULE – ELECTORAL AREAS FOR ELECTIONS TO THE  
COFFEE BOARD OF KENYA
- SECOND SCHEDULE – FORMS
-

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[Subsidiary]

## COFFEE (ELECTIONS) RULES, 2002

[L.N. 44/2002.]

### 1. Citation

These Rules may be cited as the Coffee (Elections) Rules, 2002 and, shall come into operation on the 25th March, 2002.

### 2. Interpretation

In these Rules, unless the context otherwise requires—

“**Board**” has the meaning assigned to it by the section 3 of the Act;

“**chairman**” means the chairman of the Board elected under rule 19;

“**election**” means the process of selecting a person to represent the interests of registered coffee growers who are members of registered co-operative societies, plantation coffee growers or coffee trade organizations as the case may be in the Board and includes the process of selecting a replacement for a Board member under section 6 of the Act;

“**electoral area**” means a coffee growing zone as specified in the First Schedule;

“**presiding officer**” means a person appointed by the returning officer to be in-charge of the electoral process at a polling station;

“**returning officer**” means a person appointed by the Minister to be in-charge of the electoral process;

“**secretary to the Board**” means the Managing Director of the Board appointed under section 11 of the Act.

### 3. Allocation of electoral areas

The Board, or in case of a small holder grower, the co-operative society acting on behalf of the Board, upon registering a grower shall—

- (a) allocate an electoral area to the grower; and
- (b) notify the grower of the allocation.

### 4. Registers

(1) The manager of a co-operative society shall keep a register of growers for each pulping station for purposes of electing representative, to the zonal electoral meetings.

(2) The secretary to the Board shall keep a register containing—

- (a) the name of each grower or co-operative society; and
- (b) the electoral area allocated to the grower or as the case may be, the co-operative society.

### 5. Inspection of registers

The registers kept under rule 4 shall be available for inspection by any person during the normal working hours of the Board or the co-operative society.

### 6. Representatives of pulping stations or co-operative societies

(1) The growers in each pulping station of a co-operative society shall elect five representatives to represent such groups at the election of members of the Board in their respective zones.

[Subsidiary]

(2) The five representatives shall be evenly distributed from the area from which the pulping station receives coffee from growers.

(3) A co-operative society which does not have a pulping station shall be deemed to have one pulping station for the purposes of the elections under these Rules.

#### **7. Representatives of plantation growers**

Every registered plantation grower shall nominate one representative, to elect a member of the Board in his respective zone.

#### **8. Representatives of coffee trade organizations**

Every coffee trade organization registered under any written law for the time being in force shall nominate one representative to a meeting of directors of those organizations to elect a member of the Board to represent the interests of the coffee trade.

#### **9. Submission of names**

Every factory manager of a pulping station in a co-operative society, plantation grower and registered coffee trade organization shall submit the name(s) of the representatives elected under rules 6, 7 and 8 to the secretary to the Board for purposes of preparing the electoral register.

#### **10. Convening of electoral area meetings**

(1) The Minister, after giving thirty (30) days notice in the *Gazette* and in at least two local dailies of national circulation, shall convene meetings in the electoral areas specified in the First Schedule for the purpose of holding elections of members of the Board.

(2) The meetings referred to in paragraph (1) shall be meetings of—

- (a) representatives of co-operative societies elected under rule 6;
- (b) representatives of plantation growers nominated under rule 7; and
- (c) representatives of coffee trade organizations nominated under rule 8.

(3) Members of the Board shall be elected at the meetings referred to in paragraph (2).

(4) The number of members to be elected to the Board from an electoral area or from any interest group shall be as specified in the First Schedule.

#### **11. Returning officer**

For purpose of election of the members of the Board, the Minister shall appoint a returning officer who shall be a public officer in the ministry for the time being responsible for matters relating to agriculture.

#### **12. Proposal and secondment of candidate**

(1) A candidate for election to the Board shall be proposed and seconded by at least ten registered growers entitled to vote at the meeting at which the election is held from ten different co-operative societies or ten coffee plantations, as the case may be provided that of the ten registered growers five shall propose and the other five shall second the candidate as specified in the Second Schedule.

(2) Where the number of co-operative societies in paragraph (1) is less than ten, the Minister may, from time to time, determine the number applicable.

(3) The candidate referred to in paragraph (1) shall submit his/her candidature to the secretary to the Board fifteen days before the date of elections.

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[Subsidiary]

### **13. Publication of list of candidates**

The secretary to the Board shall publish in the *Gazette* and in at least two dailies of national circulation a list of the names of the candidates by the zones for which they intend to be elected, seven days before the date of election.

### **14. Elections to be by secret ballot**

The elections to the Board shall be by secret ballot and each plantation grower, elected representative of a pulping station in a co-operative society or coffee trade organization shall have one vote.

### **15. Candidate to be registered in his area**

A candidate for election to the Board must be a registered coffee grower in the area which he aspires to represent and shall be elected to represent the electoral area allocated to him under rule 3.

### **16. Procedure at election**

(1) Where a single candidate is nominated for election at a meeting convened under rule 10, the presiding officer shall forthwith declare such candidate to be duly elected to the Board.

(2) Where more than one candidate is nominated for election, the presiding officer shall cause a plain piece of paper to be delivered to every registered grower or elected representative present and entitled to vote and the registered coffee grower or elected representative shall record his vote by writing on the paper the name of a candidate who has been proposed and seconded in accordance with rule 12.

(3) No other mark, writing or signature shall be made on the paper, and the registered coffee grower or elected representative shall forthwith fold the paper so as to conceal his vote, and shall deliver it, or cause it to be delivered, to the presiding officer in such manner as the presiding officer shall direct.

(4) Upon receipt and counting of the votes cast under paragraph (3), the presiding officer shall thereupon announce the number of votes cast for each candidate, and shall declare the candidate for whom the greater number of votes has been cast to be duly elected to the Board.

(5) In the event of an equality of votes between two candidates at the end of a poll, a second vote shall be taken pitting the two candidates and the same procedure shall be observed as if it were a first vote.

### **17. Voter to be present in person**

No person, other than the registered coffee growers or elected representatives present in person in the area in which a meeting is held, shall be entitled to vote upon any matter provided for by these Rules, and each registered grower or elected representative shall have one vote.

### **18. Submission of names of elected candidates to returning officer and the Minister**

(1) The presiding officers shall forward the names of the candidates elected in their respective electoral areas to the returning officer.

(2) The names of candidates declared elected under rule 16 shall constitute the names to be submitted from the electoral areas by the returning officer to the Minister for the purpose of constituting the Board.

**19. First meeting of the Board**

(1) The Minister shall convene the first meeting of the Board, at which the chairman and the vice-chairman shall be elected.

(2) The Secretary to the Board shall forward the name of the chairman of the Board to the Minister for appointment by notice in the *Gazette*.

**20. Obstruction of voting**

Any person who, interferes with or obstructs any voter or candidate from voting or being elected commits an offence.

**21. Appeals**

A person aggrieved by the decision of the returning officer to reject his candidature or right to vote may appeal within fourteen days from the date of rejection to the Agriculture Appeals Tribunal established under part XV of the Agriculture Act (Cap. 318).

**22. General penalty**

A person who contravenes any of these Rules commits an offence and is liable upon conviction to a fine not exceeding six thousands shillings or to imprisonment for a term not exceeding six months or to both.

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**FIRST SCHEDULE**

[Rules 2, 10.]

**ELECTORAL AREAS FOR ELECTIONS TO THE COFFEE BOARD OF KENYA**

## 1. Electoral Area in Co-operative Sector

<i>Zone</i>	<i>Districts</i>	<i>No. of Board Members</i>
1.	Kiambu and Thika	1
2.	Murang'a and Maragua	1
3.	Nyeri and Kirinyaga	1
4.	Meru Central, Meru North, Meru South, Embu and Mbeere	1
5.	Machakos, Kitui, Makueni and Taita/Taveta	1
6.	Kericho, Bomet, Buret, Kajiado, Nakuru, Nandi, Uasin Gishu, West Pokot, Laikipia, Trans Nzoia, Baringo, Koibatek, Keiyo and Marakwet	1
7.	Kisii Central, Kisii North, Gucha, Kuria, Migori, Rachuonyo, Kisumu, Nyando and Siaya	1
8.	Kakamega, Lugari, Bungoma, Vihiga, Teso, Busia and Mt. Elgon	1
	Sub-Total	8

Coffee

[Subsidiary]

FIRST SCHEDULE—continued

2. Electoral Area in Plantation Sector

<i>Zone</i>	<i>Districts</i>	<i>No. of Board Members</i>
1.	Nyeri, Kirinyaga, Meru Central, Meru North, Meru South and Embu	1
2.	Thika, Kiambu, Murang'a, Maragua, Machakos, Makueni and Taita/Taveta	1
3.	District in Rift Valley, Nyanza and Western Provinces	1
Sub-Total		3

		<i>No. of Board Members</i>
3.	Representation for interests of coffee trade organizations	1
	Total Number of Board Members	12

SECOND SCHEDULE

FORM A1

(r. 12)

NOMINATION FORM FOR CANDIDATES IN THE ELECTIONS TO THE COFFEE BOARD OF KENYA

(a) Name and number of zone .....

(b) Candidate's name .....

(c)

	<i>Proposer's name</i>	<i>Member's number</i>	<i>Name of co-operative society or plantation</i>	<i>Registration number</i>
1				
2				
3				
4				
5				

(d)

	<i>Secunder's name</i>	<i>Member's number</i>	<i>Name of co-operative society or plantation</i>	<i>Registration number</i>
1				
2				
3				
4				
5				

SECOND SCHEDULE, FORM A1—continued

(e) Verification by the manager, of co-operative society or plantation, to which the candidate is a member or director in terms of rules 4, 6 and 7.

1. Name of manager ..... ID No. ....

Signature of manager .....

2. Name of witness (committee member/plantation grower ..... ID No. ....

Witness's Signature .....

(f) Verification by the manager of coffee pulping station to which the member delivers cherry for pulping in terms of rules 4, 6 and 7.

1. Name of factory manager ..... ID No. ....

Signature .....

2. Name if witness (grower) ..... ID No. ....

Witness's signature .....

FOR OFFICIAL USE

Received and verified in terms of rules 4, 6, and 7 .....

SECRETARY to the Coffee Board of Kenya

Date .....

FORM A2

(r. 16)

RESULTS OF ELECTIONS TO THE COFFEE BOARD OF KENYA

(a) Name and number of zone .....

(b)

Serial Number	Candidate's name	Number of votes received
1		
2		
3		
4		
5		

Total votes cast .....

(c) Verification by the growers present and voting

1. Name ..... ID No ..... Co-operative Society/Plantation .....

Signature .....

Coffee

[Subsidiary]

SECOND SCHEDULE, FORM A2—continued

- 2. Name .....  
 ID No ..... Co-operative Society/Plantation .....  
 Signature .....
- 3. Name .....  
 ID No ..... Signature .....
- 4. Name ..... Signature .....  
 Presiding officer  
 Date .....

FORM A3

(r. 18)

CERTIFICATE OF ELECTION TO THE COFFEE BOARD OF KENYA

THIS IS TO CERTIFY that .....  
 Mr/Mrs./Ms ..... of zone No. ....  
 has been duly elected as a member of the Coffee Board of Kenya

Signature .....  
 Returning Officer .....  
 Date .....



**COFFEE (LICENCE FEES) RULES, 2003**

[L.N. 112/2003, L.N. 131/2007.]

1. These Rules may be cited as the Coffee (Licence Fees) Rules, 2003.
2. The fees payable to the Board for licences issued under section 18 of the Act shall be as out in the Schedule.

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SCHEDULE

[L.N. 131/2007.]

<i>Category of licence</i>	<i>Amount</i>
Auctioneer's Licence	US\$500.00



**COFFEE (REGISTRATION OF GROWER) REGULATION, 2003**

[L.N. 23/2003.]

For the purposes of section 21 of the Coffee Act, 2001, the prescribed particulars to be supplied for registration are—

- (a) in the case of a small holder grower, the particulars necessary to fill Form 1 in the Schedule;
- (b) in the case of a plantation grower, the particulars necessary to fill Form 2 in the Schedule.

**SCHEDULE**

**FORM 1**

**APPLICATION FOR REGISTRATION AS SMALL HOLDER COFFEE GROWER**

- 1. Name of applicant .....
- 2. Address .....
- 3. Telephone .....
- 4. Location .....
- 5. Division .....
- 6. District .....
- 7. L.R. No. or Nos. ....
- 8. (a) Application is hereby made to maintain ..... hectares of coffee on the above L.R. No(s). in the above District.
- (b) Application is hereby made to plant/uproot ..... hectares of coffee on the above L.R. No(s). in the above District.
- 9. Comments by the Coffee Factory Manager .....

Date .....

Name .....

*Signature*  
*Coffee Factory Manager*

**FORM 2**

**APPLICATION FOR REGISTRATION AS A PLANTATION COFFEE GROWER**

- 1. Name of applicant .....
- 2. Address .....
- 3. Telephone .....
- 4. Location .....
- 5. Division .....
- 6. District .....
- 7. L.R. No. or Nos. ....

Coffee

[Subsidiary]

SCHEDULE—continued

- 8. (a) Application is hereby made to maintain ..... hectares of coffee on the above L.R. No(s). in the above District.
- (b) Application is hereby made to plant/uproot ..... hectares of coffee on the above L.R. No(s). in the above District.
- (c) Application is hereby made to join a co-operative society with ..... hectares of coffee on the above L.R. No(s). in the above District.
- (d) Application is hereby made to withdraw from the co-operative society (and become a plantation grower with ..... hectares of coffee on the above L.R. No(s). in the above District.

Date ..... Signature .....

*Applicant or his duly authorized agent*

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**COFFEE (FORMS) RULES, 2012**

**ARRANGEMENT OF RULES**

*Rule*

1. Citation.
2. Registration of a nursery.
3. Licensing of pulping station and registration of growers.
4. Registration of Management Agent.
5. Milling licence.
6. Marketing licence.
7. Dealer licence.
8. Monthly returns.
9. Warehouseman licence.
10. Exports and imports.
11. Nairobi Coffee Exchange Monthly Returns.
12. Annual Coffee Credit Returns.
13. Movement permit.
14. Sales catalogue.
15. Returns to growers.
16. Licensing requirements.
17. Fees.
18. New applicants.
19. Revocation of L.N 124/2002.

**SCHEDULES**

FIRST SCHEDULE

SECOND SCHEDULE

THIRD SCHEDULE – STATEMENTS OF COFFEE SALES AND PAYMENTS  
FOR ALL LOTS FOR EVERY CROP SEASON

FOURTH SCHEDULE – LICENSING REQUIREMENTS

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[Subsidiary]

## COFFEE (FORMS) RULES, 2012

[L.N. 80/2012.]

### 1. Citation

These Rules may be cited as the Coffee (Forms) Rules, 2012.

### 2. Registration of a nursery

(1) An application for a nursery registration certificate shall be in Form A1 set out in the First Schedule.

(2) The annual certificate of registration of a coffee nursery shall be in Form A2 set out in the First Schedule.

(3) Every coffee nursery shall furnish the Board with quarterly returns in Form A3 set out in the First Schedule.

### 3. Licensing of pulping station and registration of growers

(1) An application for a pulping station licence under section 22 of the Act shall be in Form B1 set out in the First Schedule.

(2) The pulping station licence shall be in Form B2 set out in the First Schedule.

(3) The Certificate of Registration of a coffee grower shall be in Form B3 set out in the First Schedule.

(4) Every plantation grower shall furnish the Board with bi-annual returns in Form B4 set out in the First Schedule.

(5) Every co-operative society shall furnish the Board with bi-annual returns in Form B5 and Form B6 set out in the First Schedule.

### 4. Registration of Management Agent

(1) An application for registration as a management agent under section 44(2) of the Act shall be in Form C1 set out in the First Schedule.

(2) The Certificate of Registration of a management agent shall be in Form C2 set out in the First Schedule.

(3) Every management agent shall furnish the Board with bi-annual returns in Form C3 set out in the First Schedule.

### 5. Milling licence

(1) An application for a milling licence under section 23 of the Act shall be in Form D1 set out in the First Schedule.

(2) The milling licence shall be in Form D2 set out in the First Schedule.

(3) The Certificate of Registration of a miller shall be in Form D3 set out in the First Schedule.

(4) Every miller shall furnish the Board with monthly milling returns in Form D4 set out in the First Schedule.

(5) Every holder of a milling licence shall complete and submit to the grower out-turn statements in Form D5 set out in the First Schedule.

(6) Every miller shall furnish the Board with milling agreements return at the beginning of the coffee year in Form D6 set out in the First Schedule.

**6. Marketing licence**

(1) An application for a marketing licence under section 18 of the Act shall be in Form E1 set out in the First Schedule.

(2) The marketing licence shall be in Form E2 set out in the First Schedule.

(3) The Certificate of Registration of a marketer shall be in Form E3 set out in the First Schedule.

(4) Every marketer shall furnish the Board with monthly returns in Form E4 set out in the First Schedule.

(5) Every marketer shall furnish the Board with annual marketing agent agreements returns in Form E5 set out in the First Schedule.

**7. Dealer licence**

(1) An application for a dealer's licence under section 18 of the Act shall be in Form F1 set out in the First Schedule.

(2) The dealer's licence shall be in Form F2 set out in the First Schedule.

(3) The Certificate of Registration of a dealer shall be in Form F3 set out in the First Schedule.

(4) Every dealer shall furnish the Board with monthly returns in Form F4 set out in the First Schedule.

**8. Monthly returns**

Every dealer or grower marketer who undertakes roasting of coffee shall furnish the Board with monthly returns in Form G set out in the First Schedule.

**9. Warehouseman licence**

(1) An application for a warehouseman's licence under section 18 of the Act shall be in Form H1 set out in the First Schedule.

(2) The warehouseman's licence shall be in Form H2 set out in the First Schedule.

(3) The Certificate of Registration of a warehouseman shall be in Form H3 set out in the First Schedule.

(4) Every warehouseman shall furnish the Board with monthly returns in Form H4 set out in the First Schedule.

**10. Exports and imports**

Every coffee dealer shall register with the Board the exports and imports of coffee made by completing and submitting Form I set out in the First Schedule.

**11. Nairobi Coffee Exchange Monthly Returns**

The manager of the Nairobi Coffee Exchange shall furnish the Board with monthly returns in Form J set out in the First Schedule.

**12. Annual Coffee Credit Returns**

Financiers in the coffee industry shall furnish the Board with annual returns in Form K set out in the First Schedule.

**13. Movement permit**

A coffee movement permit issued under the Coffee (General) Rules, 2002 shall be in Form M set out in the First Schedule.

[Subsidiary]

**14. Sales catalogue**

The marketer shall prepare sales catalogues in a format that includes the particulars specified in the Second Schedule.

**15. Returns to growers**

The marketer shall prepare returns to the grower with a copy to the Board in a format that includes the particulars specified in the Third Schedule.

**16. Licensing requirements**

An applicant under this Act shall comply with the respective licensing requirements specified in the Fourth Schedule.

**17. Fees**

The Board may prescribe fees to be paid in—

- (a) receipt and processing of applications;
- (b) issuance of a licence or certificate; or
- (c) for any other matter arising under these Rules.

**18. New applicants**

A first time applicant shall be issued with a Certificate of Registration in addition to a licence as provided for herein above.

**19. Revocation of L.N 124/2002**

The Coffee (Forms) Rules, 2002, are hereby revoked.

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FIRST SCHEDULE

FORM A1

(r. 2(1))

COFFEE (FORMS) RULES, 2012

APPLICATION FOR REGISTRATION OF A COFFEE NURSERY

(1) Personal Information

Name of Applicant (new/renewal-delete as appropriate): .....

Address: Postal .....

Email .....

Telephone: .....

Where the applicant is a company or co-operative society, supply the Board with:

- (a) A certified copy of certificate of incorporation/registration;
- (b) A certified copy of memorandum and articles of association/constitution;
- (c) Names and address of Directors.
  - (i) .....
  - (ii) .....
  - (iii) .....

(2) Nursery Information

Location: ..... Sublocation ..... Village/Road .....

Division: .....



Coffee

[Subsidiary]

FIRST SCHEDULE—continued

County: .....

L.R. No. /Plot No. ....

(3) Nursery Category (tick as appropriate)

Commercial  Private

CONDITIONS:

The registration requirements shall be as per the fourth schedule of this forms.

Date: ..... Signed .....

FORM A2

(r. 2(2))

ANNUAL NURSERY REGISTRATION CERTIFICATE

Valid from ..... to .....

Name of Applicant: .....

Address: Postal .....

Email .....

Telephone: .....

Location: ..... Sub location ..... Village/Road .....

Division: ..... County .....

L.R. No. or Plot No.: .....

Nursery Code: .....

Nursery Category (tick as appropriate)

Commercial  Private

Is hereby registered to operate coffee nursery on the above L.R. No./Plot No. in the above (county).

NOTE: THIS IS NOT A LICENCE

Terms and conditions

- 1. Nursery operators shall maintain records of source of seed, amount of allocated seed, seedlings raised and seedlings bought.
2. Nursery operators shall remit returns to the board on a quarterly basis.

Date: ..... Signature .....

Managing Director,
Coffee Board of Kenya.

FORM A3

(r. 2(3))

QUARTERLY COFFEE NURSERIES RETURNS

- 1. Name of Applicant/Nursery: .....
2. Address: Postal .....
Email .....
3. Telephone: .....
4. Location: ..... Sub location ..... Village/Road .....
5. Division: ..... County .....

Coffee

[Subsidiary]

FIRST SCHEDULE, FORM A3—continued

- 6. L.R. No. or Plot No.: .....
- 7. Nursery Code .....
- 8. Period of returns from ..... to .....
- 9. Source of planting materials (seed/seedlings/cuttings) .....

SEEDLING STOCK

Variety	Balance b/f from previous quarter:	Amount of planting material allocated	No. of seedlings raised	Total seedlings available
Ruiru 11				
Batian				
Traditional (specify)				
Others				
Total				

SEEDLINGS SALES

No.	Date	Date of Buyer	ID No./Board's code	Receipt No. Issued	No of Seedlings Sold				Total
					Ruiru II	Batian	Traditional	Others	
1									
2									
3									
4									
5									
		Total							

Prepared by:

Name: ..... Designation: .....

Signature: ..... Date: .....

Stamp: .....

FORM B1

(r. 3(1))

APPLICATION FOR PULPING STATION LICENCE

- 1. Name of Applicant (new/renewal-delete as appropriate): .....
- 2. Address: Postal .....  
Email .....
- 3. Telephone: .....
- 4. Location: ..... Sub location ..... Village/Road .....  
Division: ..... County .....
- 5. Proposed Name of farm (where applicable): .....

Coffee

[Subsidiary]

FIRST SCHEDULE, FORM B1—continued

- 6. L.R. No. (Attach copy of Title Deed/Registration Certificate of a co-operative society/Company) .....
- 7. Application is made for permission to erect/operate a factory for the pulping of coffee in accordance with the particulars given above, which are hereby certified to be correct by the applicant(s)—

Name ..... Signed ..... Date .....

Name ..... Signed ..... Date .....

Name ..... Signed ..... Date .....

Name ..... Signed ..... Date .....

Stamp .....

CONDITION:

The registration requirements shall be as per the fourth schedule of these forms

FORM B2

(r. 3(2))

PULPING STATION LICENCE

Valid from ..... to .....

- 1. Name: ..... Grower's Code .....
- 2. Address: Postal .....  
Email .....
- 3. Telephone: .....
- 4. Location: ..... Sublocation ..... Village/Road .....  
Division: ..... County .....
- 5. Is/are hereby authorized to operate a factory for the pulping or hulling of coffee at:
- 6. L.R. No. ....
- 7. Registration Certificate No. ....
- 8. Type of coffee Pulping or hulling (wet processing/dry processing): .....

Date: ..... Signed: .....

Managing Director,  
Coffee Board of Kenya.

Subject to the terms and conditions:

- 1. A licence for a new pulping station or buni mill will only be issued to persons, co-operative societies or companies who have a minimum of five acres or more of mature coffee trees.
- 2. When licensing a new pulping station or buni hullers due consideration will be taken to ensure that processing over capacity is not created in a given local area or zone. In the case of a private investor, the Coffee Board of Kenya shall arbitrate to decide how the farmers are distributed between the existing and the new pulping station/hullers before issuing a licence.
- 3. The Board, in consultation with the Minister, may cancel, vary or suspend the licence issued to any person if such person fails to comply with terms and conditions of the licence.
- 4. The pulping stations shall submit their pulping/buni hulling returns to the Board on bi-annual basis as prescribed in Forms B4, B5 and B6.
- 5. A pulping licence may be suspended where the licensee, without any good reason acceptable to the Board, continues to default in submitting returns.

[Subsidiary]

FIRST SCHEDULE—*continued*

FORM B3

(r. 3(3))

## GROWER'S REGISTRATION CERTIFICATE

Certificate No. ....  
 Name of Applicant: ..... Grower Code .....  
 Address: Postal .....  
           Email .....  
 Telephone: .....  
 Location: ..... Sublocation ..... Village/Road .....  
 Division: ..... County .....  
 L.R. No. or No: .....  
 Is hereby registered to maintain ..... hectares of coffee on the above  
 L.R. No./plot No. in the above (Coffee District/County and/or to plant/uproot approximately .....  
 hectares of coffee on the said land), subject to the terms and conditions.  
 NOTE: THIS IS NOT A LICENCE

Date: ..... Signature .....

*Managing Director,  
 Coffee Board of Kenya.*

*Terms and conditions of registration as a grower are as stated here below*

- (i) The growers shall not sell, transfer or in any way part with possession of coffee seedlings, stump plants, or any planting material, whether produced by vegetative propagation or otherwise, to any person other than a person who is registered to plant by the Board.
- (ii) No grower shall sell cherry, parchment or buni to any person or deliver coffee to a pulping station other than the pulping station specified in the application.
- (iii) Registered growers who are licensed to operate coffee nurseries are required to issue a receipt indicating the name of the grower, the date, and in the case of sales made to small holders, the registration number of the grower.
- (iv) The grower shall not sell his cherry, parchment coffee or clean coffee directly to a miller, a grower or a co-operative society or deal in coffee with other growers.
- (v) The grower shall not, in a bid to avoid the repayment of any loan due to any other financier, supply hypothecated crops to any marketing agent other than his own duly appointed agent.
- (vi) This registration certificate is issued subject to the conditions specified in sections 21 and 22 of the Coffee Act and the provisions of the rules made under that Act, and the grower's attention is drawn to the provisions of the Act and rules.

(r. 3(4))

FIRST SCHEDULE—continued

FORM B4

BI-ANNUAL ESTATES RETURNS

Name of farmer ..... gender .....  
 ID/Passport No. ....  
 Estate Name .....  
 Mark .....  
 Grower Code .....  
 Physical Address .....  
 Tel ..... Email .....  
 Period of returns from ..... to .....  
 Crop Year ..... Month .....

COFFEE ACREAGE AND PRODUCTION

Area under coffee (Acres)			Number of mature trees (above 3 years)			Number of new planting (below 3 years)				Production (Kg.)			
R11	Traditional	Batian	Others	R11	Traditional	Batian	Others	R11	Traditional	Batian	Others	Cherry	Mbuni

COFFEE SALES

	Delivery to millers (tonnes)	Clean Coffee (tonnes)	% Loss	Gross Sales (KSh.)	Total Deductions By Marketing Agent (KSh.)	Net From Marketing Agent (KSh.)	Farm Expenses	Net Proceeds
Parchment								
Mbuni								
Total Sales (KSh.)								

Coffee

[Subsidiary]

FIRST SCHEDULE, FORM B4—continued

Prepared by: .....

Name: ..... Designation: .....

Signature: ..... Date: .....

Stamp: .....

**FORM B5** (r. 3(5))

BI-ANNUAL CO-OPERATIVES SOCIETIES PRODUCTION RETURNS

Co-operative Society Name .....

Grower Code .....

Crop Year .....

CS Registration No. ....

Factory .....

Month .....

COFFEE ACREAGE AND PRODUCTION

Member No.	Name of Farmer	I/D. No.	Sex (M/F)	Area (acres) under coffee			Mature trees (over 3 years)			New planting (under 3 years)			Production (Kg.)	Status (Active/Dormant)	
				Ruiru II	Traditional	Batian	Others	Ruiru II	Traditional	Batian	Others	Ruiru II			Traditional
Total															

Period: from ..... to .....

FIRST SCHEDULE, FORM B5—continued

Prepared By:

Name: ..... Designation: .....

Signature: ..... Date: .....

Stamp: .....

\_\_\_\_\_

Coffee

[Subsidiary]

FIRST SCHEDULE—continued

FORM B6

(r. 3(5))

BI-ANNUAL CO-OPERATIVE SOCIETIES COFFEE SALES RETURNS

Co-operative Society ..... Grower's Code .....

Crop Year ..... Month .....

COFFEE SALES

	Factory Name	Coffee Type	Production (Kgs)	Clean Coffee (Kgs)	Gross Sales (KShs)	Net From Marketing Agent (KShs.)	Factory Expenses	Rate Per Kilo Cherry (KShs)	% Pay On Net
1		CHERRY							
		MBUNI							
2		CHERRY							
		MBUNI							
3		CHERRY							
		MBUNI							
4		CHERRY							
		MBUNI							
5		CHERRY							
		MBUNI							

Prepared By .....

Signature .....

Designation .....

Date .....

Stamp .....

FORM C1

(r. 4(1))

APPLICATION FOR REGISTRATION OF MANAGEMENT AGENT

Name of Applicant (new/renewal-delete as appropriate): .....

Principal Office .....Branches (if any).....

Address: Postal .....

Email .....

Telephone: .....

Location: ..... Sublocation ..... Village/Road .....

Division: ..... County .....

L.R. No./Plot No. ....

Services to be provided shall be in respect of management of coffee farms or pulping stations and without prejudice to the generality of the foregoing, the following services may be offered:

- (a) Extension services on coffee production and processing;
- (b) Provision of farm inputs;
- (c) Advisory services on marketing of coffee;



FIRST SCHEDULE, FORM C1—continued

- (d) Record keeping, book-keeping and general accounting at factory and societies,
- (e) Training of factory staff on record keeping, book-keeping, crop husbandry, processing and marketing.

Date ..... Signature of Applicant .....

Terms and Conditions are as follows:

1. The management agent shall exercise due prudence and diligence in executing the provisions of the specific management agreement between him/her and the grower.
2. The registration requirements shall be as per the Fourth Schedule of these forms.

FORM C2

(r. 4(2))

CERTIFICATE OF REGISTRATION OF MANAGEMENT AGENT

Valid from ..... to ..... Board's Code .....

Name of Management Agent: .....

Principal Office ..... Branches (if any) .....

Address: Postal .....

Email .....

Telephone: .....

Location: .....

Sublocation ..... Village/Road .....

Division: ..... County .....

L.R. No. / Plot No. ....

Is/are hereby registered to conduct the business of a management agent Services to be provided shall be the following areas:

- (a) Extension services on coffee production and processing;
- (b) Provision of farm inputs;
- (c) Advisory services on marketing of coffee;
- (d) Record keeping, Book-keeping and general accounting at factory and societies;
- (e) Training of factory staff on record keeping, book-keeping, crop husbandry, processing and marketing.

This certificate is not transferable

NOTE: THIS IS NOT A LICENCE

Date ..... Signed .....

Managing Director,  
Coffee Board of Kenya.

Subject to the terms and conditions:

1. A registered management agent shall not unreasonably withhold a no objection letter sought by a prospective management agent.
2. A grower wishing to terminate management agreement with a current management agent shall give three months notice of the intention of termination to the marketing agent.
3. A management agent wishing to terminate management agreement with grower shall give three months notice of the intention of termination to the grower with a copy to the Board.
4. A grower wishing to terminate management agreement with a current management agent shall give notice of three months to the management agent with a copy to the Board.
5. All management agreements shall be registered with the Board within thirty days after the commencement of the agreement by the management agent.

Coffee

[Subsidiary]

FIRST SCHEDULE, FORM C2—continued

- 6. The Board may sanction any amendment of the management agreement recommended by either party in the interest of the coffee grower.
- 7. The management agent shall exercise due prudence and diligence in executing the provision of the specific management agreement between him and the grower.

NOTE: This certificate shall not be used to buy or sell cherry.

FORM C3

(r. 4(3))

BI-ANNUAL MANAGEMENT AGENT RETURNS

(A) Management Agent Details

Name of the Management Agent .....

Physical Address .....

P.O. Box .....

Board's Code .....

VAT Registration No. .... PIN No. ....

Email .....

Fax .....

Tel .....

Crop Year: ..... month .....

(B) Farms Managed

Grower Code	Name of Farm	Contract No. and date signed	Physical Location	Area Under Coffee (acres)	Type of service offered	Production Clean coffee (metric tonnes)

(C) Summary Services Offered

	Type of Service	Fee Charged (KSh.)
1		
2		
3		

Prepared by:

Name: .....

Signature .....

Stamp .....

FIRST SCHEDULE—continued

FORM D1

(r. 5(1))

APPLICATION FOR MILLING LICENCE

1. Name of applicant (new/renewal-delete as appropriate) .....
2. Address: Postal ..... Email .....
3. Telephone number .....
4. Location ..... Sublocation ..... village/road .....
5. Division ..... County .....
6. L.R. No./Plot No. ....
7. Milling capacity—
  - (a) Parchment ..... tonnes per hour
  - (b) Buni ..... tonnes per hour
8. Licence category (tick as appropriate):-  
 Commercial  Private   
 Application is made for authority to erect/operate a coffee milling plant, particulars given are hereby certified to be correct:

Date ..... Signature .....

*Applicant*

Subject to Terms and Conditions overleaf:

1. A license for a new milling plant will only be issued to persons, co-operative societies or companies who have fulfilled the conditions as per the fourth schedule.

FORM D2

(r. 5(2))

MILLING LICENCE

Valid from ..... to .....

Licence No. .... Board's Code .....

Name .....

Address: Postal ..... Email .....

Telephone number .....

Location ..... Sub location ..... village/road .....

Division ..... County .....

L.R.No./Plot ..... Location .....

Is/are hereby authorized to erect/operate a coffee milling plant at .....

.....

L.R. No./Plot No. ....

Date .....

*Managing Director,  
Coffee Board of Kenya.*

.....

*Signature/Seal Stamp*

[Subsidiary]

FIRST SCHEDULE, FORM D2—continued

Subject to Terms and Conditions overleaf:

- 1. The Board may vary, suspend or cancel any license issued to a person, co-operative society or company, if such person, co-operative society or company fails to abide with the terms and conditions of the license.
- 2. The millers shall submit their milling returns to the Board on a monthly basis.
- 3. A milling license may be suspended where a licensee, without any good reason acceptable to the Board, continues to default in submitting returns.

FORM D3

(r. 5(3))

CERTIFICATE OF REGISTRATION AS A MILLER

- 1. Name of Miller ..... Board's Code .....
- 2. Address: Postal ..... Email .....
- 3. Telephone number .....
- 4. Location ..... Sublocation ..... village/road .....
- 5. Division ..... County .....
- 6. L.R. No./Plot No. ....
- 7. It is hereby certified that the above named has been registered as a coffee miller in accordance with section 23 of the Coffee Act in respect of milling plant situated at .....

NOTE: THIS IS NOT A LICENCE

Date ..... Signed .....

Managing Director,  
Coffee Board of Kenya.



Coffee

[Subsidiary]

FIRST SCHEDULE, FORM D4—continued

Colour sorting per tonne .....

Handling charges per bag .....

Other charges (specify) .....

Name: ..... Designation: .....

Signature: .....

Date: ..... Stamp .....

Coffee

[Subsidiary]

FIRST SCHEDULE—*continued*

FORM D5

(r. 5(5))

OUTTURN MILLING STATEMENT

Name of miller ..... Board's Code ..... License No. ....  
P.O Box ..... Physical Address .....  
Telephone ..... Email .....  
Crop year ..... Month .....  
Name of Grower ..... Board's code .....  
Date of Delivery ..... Milling Date .....  
Type of Coffee: Parchment .....  
                                Buni .....

Distinguishing Mark .....  
Out-Turn No. ....

Name of Marketing Agent

<i>Grade</i>	<i>Bags</i>	<i>Pockets</i>	<i>Total (Kgs)</i>	<i>Bulk Out-Turn</i>
AA	.....	.....	.....	.....
AB	.....	.....	.....	.....
PB	.....	.....	.....	.....
C	.....	.....	.....	.....
T	.....	.....	.....	.....
TT	.....	.....	.....	.....
E	.....	.....	.....	.....
UG	.....	.....	.....	.....
SB	.....	.....	.....	.....
MH	.....	.....	.....	.....
ML	.....	.....	.....	.....
Totals	.....	.....	.....	.....

Net Weight ..... Kgs Milling Loss ..... %

Milling Charges ..... Cost of bags .....

Transport .....

Colour sorting .....

Handling cost .....

Others (specify) .....

TOTAL CHARGES .....

I/We certify that the information supplied on parchment coffee received is correct.

I/We certify that the information supplied on buni coffee is correct.

Prepared by .....

Date ..... Signed .....

*Mills Manager*



[Subsidiary]

FIRST SCHEDULE—continued

FORM D6

(r. 5(6))

ANNUAL MILLING AGREEMENTS RETURN

Crop Year .....

Name of Miller .....

Board's Code .....

Licence Number .....

Postal Address .....

Physical Location .....

Telephone .....

Fax .....

E-mail .....

<i>Grower Code</i>	<i>Grower Name</i>	<i>Milling Contract No.</i>	<i>Date Signed</i>

Prepared By ..... *Signature* .....

Designation..... *Date* .....

FORM E1

(r. 6(1))

APPLICATION FOR A MARKETING LICENCE

1. Name of marketer (Grower/Commercial) (new/renewal-delete as appropriate)
2. Address .....
3. Registered address ..... Building .....
- Street .....
- Town/City ..... L.R. No. ....
4. Date of Incorporation .....
5. Registration No. ....
6. Name of Company .....
7. Physical Address .....
8. Location of the principal office .....
- Address .....
- Telephone .....



FIRST SCHEDULE—continued

Fax .....

E-mail .....

9. Details of the capital structure

(a) Nominal capital KShs .....

(b) Paid up capital KShs .....

10. Full names, addresses and occupations of the directors:

	<i>Name:</i>	<i>Address:</i>	<i>Occupation:</i>
1.	.....	.....	.....
2.	.....	.....	.....
3.	.....	.....	.....
4.	.....	.....	.....

11. Branch Office(s) if any

Address: .....

Buildin: ..... Street .....

Town/City: ..... L.R. No. ....

Telephone: .....

Fax: .....

E-mail: .....

12. Name, Address and Telephone of the Chief Executive:

Name: .....

Physical Address:.....

Telephone: .....

Postal Address: .....

Professional Qualifications: .....

Experience: .....

13. I/We certify that the information given above is correct.

Name of Director ..... Signature .....

Name of Director ..... Signature .....

Name of Secretary ..... Signature .....

14. I/We certify that we have read and understood the Coffee Act, 2001 and the rules made thereunder. I/We also understand that the licence and registration certificate granted on this application may be cancelled and penalties and punishment may be imposed on each of us if any document or statement submitted by us in the course of this application is false or materially misleading.

Date .....

Name of Director ..... Signature .....

Name of Director ..... Signature .....

Name of Secretary ..... Signature .....

Coffee

[Subsidiary]

FIRST SCHEDULE—continued

15. I/We hereby apply for licence and registration as coffee marketer and to carry on business of coffee marketer.

Date .....

Name of Director ..... Signature .....

Name of Director ..... Signature .....

Name of Secretary ..... Signature .....

16. Additional registration requirements shall be as per the Fourth Schedule of these forms.

FORM E2

(r. 6(2))

LICENCE TO CONDUCT THE BUSINESS OF COFFEE MARKETING

Board's Code .....

THIS LICENCE is granted to ..... of P.O. Box .....

and authorizes the said ..... to conduct the business of coffee marketing in the Republic of Kenya for a period of one year beginning on the ..... day of ..... and ending on ..... day of ..... (both days inclusive).

THIS LICENCE is issued subject to the maintenance of the requirements for approval and the provisions of the Coffee Act, 2001 and the rules made there under and to such conditions as are stipulated herein.

THIS LICENCE is not transferable.

Terms And Conditions:

- 1. In the performance of his/her/its functions under this licence, the licensee shall so far as practicable endeavor to ensure—
(a) The promotion of good technical practices in coffee production, primary and secondary processing of coffee that assist in maintenance and enhancement of quality of Kenyan coffee;
(b) The promotion of good storage, handling and transportation of coffee with preservation of quality in mind;
(c) That coffee is secure and that adequate insurance cover is provided by reputable firms;
(d) Competitive prices through fair competition in a liberalized coffee auction market that facilitates orderly sale of the commodity;
(e) That appropriate deductions, including statutory deductions, are made in an accountable and transparent manner;
(f) Prompt direct payment to the grower in the case of commercial marketing agent.
2. The licensee shall possess coffee quality control facilities and engage the services of a qualified liquorer to determine the quality of coffee.

ISSUED at Nairobi this ..... day of ....., 20 .....

Signed .....

Managing Director,
Coffee Board of Kenya.

FIRST SCHEDULE—*continued*

FORM E3

(r. 6(3))

REGISTRATION CERTIFICATE OF A MARKETER

Board's Code .....

Name ..... of P.O. Box ..... is registered to conduct the business of a coffee marketer in the Republic of Kenya.

THIS REGISTRATION has been granted subject to the maintenance of the requirements for approval and the provisions of the Coffee Act, 2001 and the Rules made thereunder and to such conditions as are stipulated herein.

NB: THIS IS NOT A LICENCE

Dated at Nairobi this ..... day of ....., 20 .....

Signed .....

*Managing Director,  
Coffee Board of Kenya.*

\_\_\_\_\_

Coffee

[Subsidiary]

(r. 6(4))

FIRST SCHEDULE—continued

FORM E4

MARKETER'S MONTHLY RETURNS

Name of Marketer ..... Boards Code ..... Licence Number .....  
 Postal Address ..... Physical Location .....  
 Telephone .....  
 Fax .....  
 E-mail .....  
 Crop Year ..... Month .....

Sale No	Lot No.	Outturn	Grade	Bags (50kgs)	Pockets (Kgs)	Total Weight (Kg)	Price (US\$/50kg)	Gross Value (USD)	Total Statutory Deductions (4%)	Milling Charges	Marketing Charges	Export Bags	Other Charges	Net Proceeds

Specify the lots of sweepings sold

Prepared By ..... Signature .....  
 Designation ..... Date .....

Stamp: .....

FIRST SCHEDULE—continued

FORM E5

(r. 6(5))

ANNUAL MARKETING AGREEMENTS RETURN

Name of Marketer .....  
 Board's Code .....  
 Licence Number .....  
 Postal Address .....  
 Physical Location .....  
 Telephone .....  
 Fax .....  
 E-mail .....  
 Crop Year ..... Month .....

Grower Code	Grower Name	Marketing Contract No.	Date Signed

Prepared By ..... Signature .....  
 Designation ..... Date .....  
 Stamp: .....

FORM F1

(r. 7(1))

APPLICATION FOR A DEALER'S LICENCE

1. Name of applicant (new/renewal-delete as appropriate) .....
2. Address .....
3. Registered address ..... Building .....
- Street .....
- Town/City ..... L.R. No. ....
4. Date of Incorporation .....
5. Registration No. ....
6. Name of Company .....
7. Physical Address .....
8. Location of the principal office .....
- Address .....
- Telephone .....
- Fax ..... E-mail .....
9. Details of the capital structure:
  - (i) Nominal capital KSh .....
  - (ii) Paid up capital KSh .....

Coffee

[Subsidiary]

FIRST SCHEDULE—continued

10. Full names, addresses and occupations of the directors:

	Name:	Address:	Occupation:
1.	.....	.....	.....
2.	.....	.....	.....
3.	.....	.....	.....
4.	.....	.....	.....

11. Branch Office(s) if any

Address: .....

Building: ..... Street .....

Town/City: ..... L.R. No. ....

Telephone: ..... Fax .....

E-mail: .....

12. Name, address and telephone of the Chief Executive:

Name: .....

Physical address: ..... Email .....

Telephone: .....

Postal address: .....

Professional qualifications: .....

Experience: .....

13. I/We enclose the following required documentation in support of our application for licence and registration to conduct the business of coffee dealer—

- (i) The certified copy of certificate of incorporation;
- (ii) The certified copy of memorandum and articles of association;
- (iii) A statement listing the names of holding companies, associated companies or partnerships in which the applicant has interest;
- (iv) Names and address of two business referees:
  - 1. ....
  - 2. ....

14. I/We certify that we have read and understood the Coffee Act, 2001 and the rules made there under. I/We also understand that the licence and registration certificate granted on this application may be cancelled and penalties and punishment may be imposed on each of us if any document or statement submitted by us in the course of this application is false or materially misleading.

Date .....

Name of Director ..... Signature .....

Name of Director ..... Signature .....

Name of Secretary ..... Signature .....

15. I/We certify that the information given above is correct.

Date .....

Name of Director ..... Signature .....

Name of Director ..... Signature .....

Name of Secretary ..... Signature .....

FIRST SCHEDULE, FORM F1—continued

16. I/We hereby apply for licence and/or registration as a coffee dealer and to carry on business as a coffee dealer (delete as necessary)

Date .....

Name of Director ..... Signature .....

Name of Director ..... Signature .....

Name of Secretary ..... Signature .....

17. Additional registration requirements shall be as per the Fourth Schedule of these forms.

FORM F2

(r. 7(2))

DEALER'S LICENCE

Board's Code .....

1. Name: .....

Address: Postal ..... Email .....

Location: Town/City: ..... L.R. No./Plot No. ....

Road/Street .....

2. Nature of business .....

The license hereby authorizes the holder to operate as a coffee dealer subject to the terms and conditions of this licence for a period of one year from ..... to ..... (both dates inclusive).

3. THIS LICENCE is issued subject to the maintenance of the requirements for approval and the provisions of the Coffee Act, 2001 and the Rules made there under and to such conditions as are stipulated herein.

4. This licence is not transferable.

Date ..... Signature: .....

Managing Director,
Coffee Board of Kenya.

FORM F3

(r. 7(3))

REGISTRATION CERTIFICATE FOR A DEALER

Board's Code .....

Name ..... of P.O. Box ..... is registered to conduct or carry on the business of a coffee dealer in the Republic of Kenya.

THIS REGISTRATION has been granted subject to the maintenance of the requirements for approval and the provisions of the Coffee Act, 2001 and the Rules made there under and to such conditions as are stipulated herein.

NOTE: THIS IS NOT A LICENCE

Dated at Nairobi this ..... day of ....., 20 .....

Signed .....

Managing Director,
Coffee Board of Kenya.

Coffee

[Subsidiary]

FIRST SCHEDULE—continued

FORM F4

(r. 7(4))

DEALERS MONTHLY RETURNS

Name .....  
 Physical Address (Locality) .....  
 Postal Address .....  
 Licence No. .... Board's Code ..... Email .....  
 Telephone ..... Fax .....  
 Crop Year ..... Month .....

	Type of coffee	No of bags/ others (specify)	Pockets (Kgs)	Total Weight (Kg)	ICO No.
Opening Stock	Green				
	Roasted				
Auction Purchases	Green				
Post-Auction Purchases	Green				
Imports	Green				
	Roasted				
Exports	Green				
	Roasted				
Local Sales	Green				
	Roasted				
Closing Stock	Green				
	Roasted				

Prepared by:

Name: ..... Signature .....  
 Designation ..... Date .....  
 Stamp .....

FORM G

(r. 8)

MONTHLY ROASTING RETURNS

Crop Year ..... Month .....  
 1. Name of Dealer/Grower .....  
 2. Address: Postal ..... Email .....  
 3. Source of coffee:  
     (i) Auction purchases ..... Grade ..... Kg .....  
     (ii) Own (grower) ..... Grade ..... Kg .....  
     (iii) Others (specify) ..... Grade ..... Kg .....  
 Total ..... Kg .....



FIRST SCHEDULE, FORM G—continued

- 4. Balance brought forward: Green ..... Kg .....
- Roasted ..... Kg .....
- 5. Total Roasted ..... Kg .....
- (a) Local sales ..... Kg .....
- (b) Export sales ..... Kg .....
- 6. Balance carried forward: Green ..... Kg .....
- Roasted ..... Kg .....

Date .....

Name ..... Signature .....

FORM H1

(r. 9(1))

APPLICATION FOR A WAREHOUSEMAN LICENCE

- 1. Name of applicant (new/renewal-delete as appropriate) .....
- 2. Address .....
- 3. Registered Office ..... Building ..... Street .....
- Town/City ..... L.R. No. ....
- 4. Date of Incorporation .....
- 5. Registration No. ....
- 6. Name of Company .....
- 7. Physical Address .....
- 8. Location of the Principal Office .....
- Address .....
- Telephone .....
- Fax .....
- E-mail .....
- 9. Details of the Capital Structure:
  - (i) Nominal Capital KSh .....
  - (ii) Paid Up Capital KSh .....

10. Full Names, Addresses and Occupations of the Directors:

	<i>Name</i>	<i>Address</i>	<i>Occupation</i>
1.	.....	.....	.....
2.	.....	.....	.....
3.	.....	.....	.....
4.	.....	.....	.....
5.	.....	.....	.....

11. Branch office(s) if any

Address: .....

Building ..... Street .....

Town/City ..... L.R. No. ....

Tel: ..... Fax: .....

E-mail: .....

Coffee

[Subsidiary]

FIRST SCHEDULE, FORM H1—continued

12. I/We hereby apply for a licence as a Coffee Warehouseman and to carry on a business of Coffee Warehouseman

Date .....

Name of Director ..... Signature .....

Name of Director ..... Signature .....

Name of Secretary ..... Signature .....

13. I/We certify that we have read and understood the Coffee Act, 2001 and the Rules made thereunder, and understand that the licence granted on this application may be cancelled and penalties and punishment may be imposed on each of us if any document or statement submitted by us in the course of this application is false or materially misleading. I/We also certify that the information given above is correct.

Date .....

Name of Director ..... Signature .....

Name of Director ..... Signature .....

Name of Secretary ..... Signature .....

14. The additional registration requirements shall be as per the Fourth Schedule of this forms

FORM H2

(r. 9(2))

WAREHOUSEMAN'S LICENCE

Board's Code .....

THIS LICENCE is granted to ..... of P.O. Box ..... and authorizes the said ..... to conduct the business of Coffee warehouseman in the Republic of Kenya for a period of one (1) year from the ..... day of ..... to ..... day of ..... (both days inclusive).

THIS LICENCE is issued subject to the maintenance of the requirements for approval and the provisions of the Coffee Act, 2001 and the Rules made thereunder and to such conditions as are stipulated herein.

Warehouses, whether owned or rented, used for storage of clean coffee or hulled buni shall comply with international standards for clean coffee warehousing.

THIS LICENCE is not transferable.

ISSUED at Nairobi this ..... day of ....., 20 .....

Signed .....

Managing Director,
Coffee Board of Kenya.

Subject to terms and conditions set out hereunder:

- 1. A warehouseman shall not engage in any business that is contrary to the provisions of the Act.
2. Shall maintain a record of all transactions undertaken and avail them to an authorized officer of the Board or any other appointed authority upon request.

FIRST SCHEDULE—*continued*

FORM H3

(r. 9(3))

CERTIFICATE OF REGISTRATION OF WAREHOUSEMAN

Board's Code .....

1. Name of Warehouseman .....

2. Address: Postal ..... Email .....

3. Location: .....

Is/are hereby registered to conduct the business of a warehouseman.

4. Services to be provided shall be in the following areas:

(a) Storage.

(b) Sorting.

(c) Bulking/Blending.

5. This certificate is not transferable.

NOTE: THIS IS NOT A LICENCE

Date: ..... Signature: .....

*Managing Director,  
Coffee Board of Kenya.*

\_\_\_\_\_

Coffee

[Subsidiary]

(r. 9(4))

FIRST SCHEDULE—continued

FORM H4

MONTHLY WAREHOUSEMAN RETURNS

Name of Warehouseman .....  
 Physical Address .....  
 P.O. Box .....  
 Licence No. .... Board's Code ..... Email .....  
 Fax ..... Tel .....  
 Crop Year: ..... Month .....

Date	Name of Client/ Company	Stock B/F			Stock Received (In)			Stock Released (Out)			Stock C/F			Remarks			
		No. of bags	Pockets	Net weight	No. of bags	Pockets	Net weight	No. of bags	Pockets	Net weight	Movement permit No.	Warrant No.	Movement permit No.		No. of bags	Pockets	Net weight

(Bags are 60 kgs net weight)

Prepared by:

Name: ..... Signature .....

Stamp .....

FIRST SCHEDULE—continued

FORM I

(r. 10)

CERTIFICATE OF COFFEE EXPORT/ IMPORT

- 1. Name of Exporter/Importer .....
- 2. Address: Postal ..... Email .....
- 3. Details of marks, invoice number, grade, number of bags and net weight:

	<i>Distinguishing Marks</i>	<i>Invoice Number</i>	<i>Grade No.</i>	<i>No. of Bags</i>	<i>Net Weight (Kg)</i>
(a)	.....	.....	.....	.....	.....
(b)	.....	.....	.....	.....	.....
(c)	.....	.....	.....	.....	.....
(d)	.....	.....	.....	.....	.....
(e)	.....	.....	.....	.....	.....

(If space is not adequate provide attachment)

- 4. (i) Sale contract number .....
- (ii) Sale contract date .....
- (iii) Unit Price (US\$) .....
- (iv) Terms of Payment .....
- (v) Port and Country of destination .....
- 5. Please indicate whether coffee is unprocessed/processed: .....
- 6. Please specify quantities of coffee being imported/ exported ..... (Kg)
- 7. Full name and address of buyer and consignee .....
- 8. Name and address of Warehouse where coffee can be inspected .....
- 9. Coffee short shipment (if any)

	<i>Distinguishing Marks</i>	<i>Invoice/Receipt No.</i>	<i>Grade</i>	<i>No. of Bags</i>	<i>Net Weight (Kgs)</i>
(f)	.....	.....	.....	.....	.....
(g)	.....	.....	.....	.....	.....
(h)	.....	.....	.....	.....	.....
(i)	.....	.....	.....	.....	.....

The above named is authorized to Export/Import Coffee as specified herein.

Date: .....

Signature: .....

*Managing Director,  
Coffee Board of Kenya.*

Terms and Conditions are as follows:

- 1. Every Coffee dealer shall register with the Coffee Board of Kenya.
- 2. Every dealer shall make return as specified in Form F4 of all coffee bought/sold by/to him/her/it.
- 3. Every exporter/importer (whether manufacturer, buyer, packer or agent) shall register every export transaction with the Board.
- 4. For coffee sold through the Nairobi Coffee Exchange, the Board shall submit certified summary in respect of each dealer to the customs and excise Department for the purpose of accounting for the coffee.

Coffee

[Subsidiary]

FIRST SCHEDULE, FORM I—continued

- 5. Any buyer who diverts coffee bought at the Nairobi Coffee Exchange to the local market must produce evidence of duty/Value Added Tax (VAT) payment to the Kenya Revenue Authority.
- 6. Any person who exports coffee in contravention of section 17(3) of the Act commits an offence and shall be liable to a fine not less than fifty thousand shillings or to a term of imprisonment not exceeding ten years or both such fine and imprisonment.

FORM J

(r. 11)

NAIROBI COFFEE EXCHANGE MONTHLY RETURNS

Physical Address .....  
 P.O. Box .....  
 Email .....  
 Crop Year ..... Month .....

MARKETING AGENT

Sale Number	Marketing Agents' Name	Quantities of Bags Offered	Weight Offered (Kgs)	Bags Sold	Average Price (USD)	Sales Value (USD)

DEALER

Sale Number	Dealers Name	Number of full bags bought	Total Weight bought (Kgs)	Price (USD)	Sample Lots Collected	Sample Fees Paid

PREPARED BY:

Name: ..... Signature: .....  
 Date: ..... Stamp: .....

FORM K

(r. 12)

ANNUAL COFFEE CREDIT RETURNS

Name of Financier ..... Board's Code .....  
 Physical Address ..... Mark/Factory .....  
 P.O. Box ..... Telephone No. ....  
 E-Mail ..... Coffee Year .....

Coffee

[Subsidiary]

FIRST SCHEDULE, FORM K—continued

A. LOAN PRODUCTS

Type of Product	Repayment Period	Interest Rate	Grace Period	Type of Collateral

B. LOANS DISBURSED AND RECOVERED

Reg.No./ Member No.	Name of Loanee	Type of Product	Date Disbursed	Amount (KShs)	Interest Rate (annual)	Repayment Period	Amount Recovered	Balance Outstanding

Prepared By ..... Designation: ..... Signature: .....

Date: ..... Stamp: .....

Approved By: ..... Designation ..... Signature .....

FORM M

(r. 13)

COFFEE MOVEMENT PERMIT

Validity period: from ..... to .....

Date of issue ..... time issued ..... a.m./p.m. .... expires ..... on .....

Booking slip no. .... bearer .....

Mark

--	--	--

Is hereby authorized to move the undermentioned coffee

From ..... to specify destination .....

Lorry/wagon reg. no. .... by rail/road a distance of ..... kilometres

Description of coffee (clean, parchment/buni/cherry)

Name of driver .....

This permit is not valid between 6.30 p.m. and 6.30 a.m. .... quantity in figure and words

\*(delete as necessary) county/ district .....

Collected by ..... ID No. ....

Issued by .....

Signature .....

Designation .....

for Coffee Board of Kenya

*Coffee*

[Subsidiary]

## SECOND SCHEDULE

[Rule 14.]

1. The sales catalogue shall be prepared by the Marketing Agent in consultation with the growers.
2. The details to be included in the sales catalogue shall include—
  - (i) The name of the marketing agent and/or auctioneer;
  - (ii) Sale Number;
  - (iii) Day, date and time of the auction;
  - (iv) The place of the auction shall be Nairobi Coffee Exchange, Nairobi;
  - (v) Total number of bags of coffee to be offered for sale;
  - (vi) Name of the warehouse where the coffee is stored;
  - (vii) The prompt date being the date on or before which proceeds are payable to the marketing agent;
  - (viii) Terms and conditions of sale;
  - (ix) The date on which rent charges in respect of purchased coffee shall be due from the buyers to warehousemen;
  - (x) The net weights as per warehouse weights (and unless otherwise stated coffee shall be packed in bags of 60 Kgs net, tare weight 1.1 Kgs but bids shall be on the basis of 50 Kgs), the bags used shall conform with the coffee packaging standards;
  - (xi) Lot numbers arranged serially per marketing agent for all coffee offered for sale;
  - (xii) The out-turn Number shown against each lot number and the registered distinguishing mark of the grower (whether Bulk, E/Bulk, P/Bulk, T/Bulk; Spillage, or sweepings) and out-turn Number arising from operations of millers and marketing agents;
  - (xiii) Grade of coffee (AA, AB, PB, E, C, T, TT, UG, HE, SB, ML or MH);
  - (xiv) Number of bags in the lot (which shall not be less than ten bags);
  - (xv) Nett weight of coffee in kilogrammes respectively;
  - (xvi) Adequate space for inserting big prices by dealers.
3. The sales catalogue shall be prepared weekly or as frequently as the Board may determine in consultation with marketing agents.

## THIRD SCHEDULE

[Rule 15.]

## STATEMENTS OF COFFEE SALES AND PAYMENTS FOR ALL LOTS FOR EVERY CROP SEASON

## I – PARTICULARS OF GROWER

1. Name of the grower .....
2. Address: Postal ..... Email ..... Telephone No. ....
3. County ..... location ..... sublocation ..... village/road .....
4. Reference number of grower .....
5. Distinguishing Marks .....
6. Name of Pulping station .....



THIRD SCHEDULE—*continued*

II – PARTICULARS OF COFFEE MILLING

1. Name of milling agent .....
2. Milling fees ..... %
3. Out-turn number .....
4. Parchment type ..... First (P1) ..... Second (P2) ..... Third (P3) .....
5. Buni .....
5. Parchment weight ..... kgs
6. Total net weight of clean coffee after milling ..... kgs
7. Total weight loss in milling/bulking ..... kgs
8. Grades by miller (AB, AA, PB, E, TT, C, UG, T, MH, ML, SB, HE)
9. Milling charges ..... (USD/per tonne)

III – PARTICULARS OF COFFEE SALES

1. Particulars of Sales/Out-turn ..... kgs (direct sales)
2. Sale Number ..... Date .....
3. Sale Type ..... (Big Lot, Small bulks, P bulks, PB, E, T grades)
4. Lot Number .....
5. Grades .....
6. Classification by liquorer .....
7. Number of Bags (of 60 kgs each) .....
8. Net weight clean coffee ..... kgs
9. Sale price in US\$/50 kgs bag .....
10. Value of US\$ (net wt. X price/50kgs) .....
11. Payment for sale Number .....
12. Gross proceeds (earnings) US\$ .....

IV – PARTICULARS OF DEDUCTIONS

1. Gross amount (earnings) credited to coffee factory account with the agent in US\$ .....
2. Less marketing and administrative expenses (marketing expenses) in US\$ .....
3. Less *Ad Valorem* Levy ..... % of gross proceeds US\$ .....
4. Less Presumptive Income Tax (if any) US\$ .....
5. Less County Council Cess US\$ .....
6. Less milling charges US\$ .....
7. Less VAT on milling charges US\$ .....
8. Less coffee picking advance (if any) in US\$ .....
9. Less interest on advance (if any) in US\$ ..... Date .....
10. Total Deductions in US\$ .....
11. Net payment to grower in US\$ .....
12. Total statutory and marketing costs deducted by marketing agent US\$ .....
13. Payment to grower in US\$ .....
14. VAT charges on milling revenue (if any) to raise milling charges US\$ .....
15. Less handling charges (specify) in US\$ .....
16. Less transport/railrage charges in US\$ .....
17. Less additional deductions by agent for color sorting charges in US\$ .....
18. Less other charges (specify) in US\$ .....
19. Total deductions by the marketing agent in US\$ .....

## Coffee

[Subsidiary]

THIRD SCHEDULE—*continued*

## V – PARTICULARS OF CROP ADVANCE AND RECOVERIES OF PRINCIPAL AND INTEREST THEREON OVER THE CROP YEAR

1. Crop year .....
2. Delivered crop of (P1, P2 parchment in bags of 50 kgs each) .....
3. Crop Advance in US\$ .....
4. Date issued .....
5. Date of first recovery .....
6. Period of advance in months .....
7. Amount recovered in first recovery .....
8. Annual Interest payable in (%) .....
9. Total advance repaid .....
10. Date of second recovery .....
11. Amount recovered in US\$ .....
12. Interest in US\$ .....
13. Date of third recovery (if any) .....
14. Amount recovered (recoverable debt) in US\$ .....
15. Interest on outstanding US\$ .....
16. Amount not recovered in US\$ .....
17. Period of interest accrual (from date of advance to repayment in months) .....
18. Interest accrued as above at ..... % p.a.
19. Indebtedness (if any) US\$ .....
20. At exchange rate of KShs. .... US\$ = KShs. ....

## FOURTH SCHEDULE

[Rule 16.]

## LICENSING REQUIREMENTS

## A. Nursery Certificate.

1. A certified copy of title deed.
2. Individual National ID/Passport No., Pin Numbers and certificate of good conduct.
3. A sworn affidavit by the applicant of their involvement by themselves, their servants, spouses, next of kin, holding companies, associated companies, or partnerships in the business of commercial dealers, management agents, warehousemen, pulping station or marketing agents.
4. Suitable land site for establishment of a nursery.
5. Demonstrate adequate knowledge and technical competence in nursery management (training/experience).
6. Reliable source of clean water.
7. Accessibility of nursery site for inspection and materials transportation.
8. Clearance letter by the local co-operative society, whenever it applies.
9. Any other requirements that may be prescribed by the Board from time to time.  
In addition, where the applicant is a company/society.
10. A certified copy of certificate of incorporation/registration (in case of companies/societies).
11. A certified copy of memorandum and articles of association.

FOURTH SCHEDULE —*continued*

12. A paid up share capital of not less than KSh 300,000.
  13. Names and addresses of two business referees.
  14. Names of directors/officials.
  15. Tax compliance certificate from Kenya Revenue Authority (KRA) for the Company/Society or individuals as applicable.
- B.** A Pulping station licence.
1. Applicants personal details and contacts.
  2. Individual National ID/Passport No., Pin Numbers and certificate of good conduct.
  3. Copy of title deed as proof of ownership and a current certificate of search or a Lease or written consent for use of land from the owner.
  4. Minimum of five (5) acres under mature coffee, indicating the number of coffee trees and variety per land parcel presented, with an average Coffee production of 2,400 kilograms of cherry per acre for the immediately preceding two (2) years.
  5. Compliance with minimum specifications as required by Kenya Bureau of Standards. KS1052,593,2221,175 (2011) or as amended from time to time.
  6. Confirmation of availability of water for coffee processing by the Ministry of water or its representative in the specific area.
  7. A clearance letter from a co-operative society to which the small scale farmer is a registered member and delivers coffee (where applicable).
  8. Recommendation by the respective County Coffee Working Group (CCWG).
  9. A sworn affidavit by the applicant of their involvement by themselves, their servants, spouses, next of kin, holding companies, associated companies, or partnerships in the business of commercial dealers, management agents, warehousemen, pulping station or marketing agents.
  10. Coffee production figures for the past three years with evidence of deliveries.
  11. A letter of undertaking to remit returns to the Board.
  12. Any other requirements that may be prescribed by the Board from time to time.
- C.** Coffee Management Certificate.
1. A certified copy of certificate of incorporation.
  2. A certified copy of memorandum and articles of association.
  3. A paid up share capital of not less than KSh 300,000.
  4. Names of company directors, individual National ID/Passport No., Pin Numbers and certificate of good conduct.
  5. Names and addresses of two business referees.
  6. Tax compliance certificate from Kenya Revenue Authority (KRA) for the Company and Directors.
  7. Minimum first degree in Agriculture or related field for Company employees.
  8. A sworn affidavit by the applicant of their involvement by themselves, their servants, spouses, next of kin, holding companies, associated companies, or partnerships in the business of commercial dealers, management agents, warehousemen, pulping station or marketing agents.
  9. Any other requirements that may be prescribed by the Board from time to time.
- D.** Coffee Miller's License
1. A certified copy of certificate of incorporation.
  2. A certified copy of memorandum and articles of association.
  3. A paid up share capital of not less than KSh. 300,000.
  4. Names of company directors, individual National ID/Passport No., Pin Numbers and certificate of good conduct.
  5. Names and addresses of two business referees.

[Subsidiary]

## FOURTH SCHEDULE —continued

6. Tax compliance certificate from Kenya Revenue Authority (KRA) for the Company and Directors.
  7. Compliance with Statutory requirements, including but not limited to, NEMA certificate Safety & Occupational Health Certificate and Local Authority Business Permit.
  8. A certified copy of a comprehensive insurance cover from a reputable firm proportionate to volume of coffee handled as per insurance valuation.
  9. Compliance with minimum specifications as required by Kenya Bureau of Standards KS1052,593,2221,175 (2011) or as may be amended from time to time.
  10. A sworn affidavit by the applicant of their involvement by themselves, their servants, spouses, next of kin, holding companies, associated companies, or partnerships in the business of commercial dealers, management agents, warehousemen, pulping station or marketing agents.
  11. Proof of engaging services of a coffee liquorer registered by the Board.
  12. Undertaking to furnish the Board with monthly stock returns.
  13. Any other requirements that may be prescribed by the Board from time to time.
- E. Marketing Agent License.
- (i) Commercial Marketing Agent.
    1. A certified copy of certificate of incorporation.
    2. A certified copy of memorandum and articles of association.
    3. A paid up share capital of not less than KSh. 300,000.
    4. Names of company directors, individual National ID/Passport No., Pin Numbers and certificate of good conduct.
    5. Names and addresses of two business referees.
    6. Tax compliance certificate from Kenya Revenue Authority (KRA) for the Company and Directors.
    7. Compliance with Statutory requirements, including but not limited to Safety & Occupational Health Certificate and Local Authority Business Permit.
    8. A certified copy of a comprehensive insurance cover from a reputable firm proportionate to volume of coffee handled as per insurance valuation.
    9. Clearance certificate by the Nairobi Coffee Exchange (NCE).
    10. Compliance with minimum specifications as required by Kenya Bureau of Standards KS1052,593,2221,175 (2011) or as amended from time to time.
    11. A sworn affidavit by the applicant of their involvement by themselves, their servants, spouses, next of kin, holding companies, associated companies, or partnerships in the business of commercial dealers, management agents, warehousemen, pulping station or marketing agents.
    12. A letter of intent from an approved bank to give a guarantee.
    13. A bank guarantee worth between US\$ 1,000,000 and US\$ 12,000,000 or one and half times the Free on Board (f.o.b) value of the coffee transacted on each particular case less the transaction cost, whichever is higher (after the Board approves the application).
    14. Undertaking to deduct and remit statutory levies based on the auction/declared value of coffee.
    15. Undertaking to deduct and remit growers' obligations.
    16. Undertaking to furnish the Board with monthly marketing returns.
    17. Proof of engaging services of a coffee liquorer registered by the Board.
    18. Any other requirements that may be prescribed by the Board from time to time.
  - (ii) Grower Marketer
    1. Be in possession of a growers code issued by the Board.
    2. Be in possession of a valid pulping station license issued by the Board.

FOURTH SCHEDULE —*continued*

3. Names of directors/officials, individual National ID/Passport No., Pin Numbers and certificate of good conduct.
  4. Tax compliance certificate from Kenya Revenue Authority (KRA) for the Company/Society or individuals as applicable.
  5. Compliance with Statutory requirements, including but not limited to Safety & Occupational Health Certificate and Local Authority Business Permit.
  6. Compliance with minimum specifications as required by Kenya Bureau of Standards KS1052, 593, 2221,175 (2011) or as amended from time to time.
  7. A sworn affidavit by the applicant of their involvement by themselves, their servants, spouses, next of kin, holding companies, associated companies, or partnerships in the business of commercial dealers, management agents, warehousemen, pulping station or commercial marketing agents.
  8. Submit coffee production statistics for the past three years with evidence of milling statements.
  9. Undertaking to deduct and remit statutory levies based on the declared value of coffee.
  10. Undertaking to submit returns to the Board for roasted coffee and exports.
  11. Any other requirements that may be prescribed by the Board from time to time.
- In addition, where the applicant is a company/society—
16. A certified copy of certificate of incorporation/registration (in case of companies/societies).
  17. A certified copy of memorandum and articles of association.
  18. A paid up share capital of not less than KShs 300,000.
  19. Names of directors/officials.
  20. Tax compliance certificate from Kenya Revenue Authority (KRA) for the Company/Society or individuals as applicable.

**F. Coffee Dealer's License.**

1. A certified copy of certificate of incorporation.
2. A certified copy of memorandum and articles of association.
3. A paid up share capital of not less than KSh. 300,000.
4. Names of company directors, individual National ID/Passport No., Pin Numbers and certificate of good conduct.
5. Names and addresses of two business referees.
6. Tax compliance certificate from Kenya Revenue Authority (KRA) for the Company and Directors.
7. Clearance letter from the Nairobi Coffee Exchange (NCE).
8. Compliance with Statutory requirements, including but not limited to NEMA certificate (where applicable) Safety & Occupational Health Certificate (where applicable) and Local Authority Business Permit.
9. A valid performance bond of KSh. 1,000,000 in favour of Coffee Board of Kenya.
10. A sworn affidavit by the applicant of their involvement by themselves, their servants, spouses, next of kin, holding companies, associated companies, or partnerships in the business of commercial millers, management agents, warehousemen, pulping station or marketing agents.
11. Proof of engaging the services of a coffee liquorer registered by the Board.
12. Undertaking to furnish the Board with monthly returns.
13. Any other requirements that may be prescribed by the Board from time to time.

**G. Coffee Warehouseman License.**

1. A certified copy of certificate of incorporation.
2. A certified copy of memorandum and articles of association.
3. A paid up share capital of not less than KSh. 300,000.

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[Subsidiary]

FOURTH SCHEDULE —*continued*

4. Names of company directors, individual National ID/ Passport No., Pin Numbers and certificate of good conduct.
5. Names and addresses of two business referees.
6. Names of company directors, individual National ID/Passport No., Pin Numbers and certificate of good conduct.
7. Tax compliance certificate from Kenya Revenue Authority (KRA) for the Company and Directors.
8. Compliance with Statutory requirements, including but not limited to NEMA Certificate, Safety & Occupational Health Certificate and Local Authority Business Permit.
9. A certified copy of a comprehensive insurance cover from a reputable firm proportionate to volume of coffee handled as per insurance valuation.
10. Compliance with minimum specifications as required by Kenya Bureau of Standards KS1052,593,2221,175 (2011) or as amended from time to time.
11. A sworn affidavit by the applicant of their involvement by themselves, their servants, spouses, next of kin, holding companies, associated companies, or partnerships in the business of commercial dealers, management agents, warehousemen, pulping station or marketing agents.
12. Undertaking to furnish the Board with monthly stock returns.
13. Any other requirements that may be prescribed by the Board from time to time.

All applicants under paragraphs A, B, C, D, E, F and G will be subjected to an integrity vetting process and any false information provided by the applicants or other integrity issues will lead to prosecution and cancellation of the licence.

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