

# GHANA COCOA BOARD

## Export of Cocoa Regulations

### PREAMBLE

By Ghana Cocoa Board Law, 1984, (PNDC. L.81) the objects of Ghana Cocoa Board (COCOBOD) include the following:-

to purchase, market and export cocoa produced in Ghana which is graded and sealed under the provisions of Cocoa Industry (Regulation) Consolidation Decree, 1968 (NLCD. 278) or any other enactment, as suitable for export, to secure the most favourable arrangements for the purchase, inspection, grading, sealing and certification, export and sale of cocoa, coffee and sheanuts. Under S.4 (6) of the said PNDC Law 81, no person shall market or export any cocoa unless:

- it is cocoa which is the property of COCOBOD; or
- It is cocoa which has been graded and sealed, the export of which has been authorised in writing by the certifying authority of the Board.

Following the introduction of competition in the internal marketing of cocoa, through the licensing of private companies to purchase cocoa, the Government decided to allow qualified licensed cocoa buying companies to export part of the cocoa they purchase with effect from October, 2000.

In pursuance of the decision and by virtue of the powers conferred on it by S.34 of PNDC Law 81, COCOBOD has come out with the Regulations hereunder to guide the conduct of qualified exporters in the external marketing of Cocoa.

### REGISTRATION

1.1 A Company wishing to engage in the external marketing of cocoa must:

- be a Licensed Buying Company (LBC) and must have participated in the internal marketing of cocoa for a minimum period of two cocoa crop years.
  - have purchase a minimum of 10,000 tonnes of cocoa per year over the immediately preceding two consecutive crop years.
  - have personnel who possess the relevant technical know-how and experience in external marketing or can demonstrate it has access to the requisite human resources, i.e. as may be the case in regulation 1.5.
  - must demonstrate that it has access to adequate financial resources.

1.2 LBCs that qualify to export or have been licensed to export may come together to form a company for the purposes of exporting cocoa.

1.3 For the avoidance of doubt, the dispensation under regulation 1.2 shall not be available to LBCs that do not qualify to engage in direct exports.

1.4 LBCs that do not qualify to export under regulations 1.1 and 1.2 may market and export their quota through any licensed exporter and Cocoa Marketing Co. (Gh) Ltd. (CMC).

1.5 The company/companies referred to in regulation 1.2 above may be licensed as exporters.

1.6 The company/companies referred to in regulation 1.5 above, together with CMC and any other LBCs licensed to export shall be the sole exporters of cocoa beans.

1.7 A Licensed Buying Company wishing to participate in the external marketing and export of cocoa must apply to Ghana Cocoa Board (Cocobod) for a licence.

\* COCOA SECTOR MARKETING COMMITTEE (COSMARC)

2.1 There shall be a body to be known as the Cocoa Sector Marketing Committee (COSMARC) which shall be appointed by COCOBOD in consultation with the Minister responsible for cocoa.

2.2 The responsibilities of COSMARC shall include:

- Assessing applicants and marking recommendations to COCOBOD for licence to participate in the internal marketing of cocoa.
  - Assessing applicants and making recommendations to COCOBOD for licensing exporters of cocoa.

2.3 The Membership of COSMARC shall be made up of:

- COCOBOD Representative - chairperson
  - Ministry of Finance Representative
  - A Banker/Financial Analyst
  - An expert in cocoa marketing
  - A representative from QCD
  - Farmers' Representative
  - Private Sector Representative

2.4 The Secretary to the Board of COCOBOD shall be Secretary to COSMARC.

2.5 COSMARC shall have the power to co-opt members as and when necessary.

## · LICENSING

3.1 Companies which meet the requirements under regulations 1.1 to 1.2 shall be issued with licence to export cocoa.

3.2 The companies applying under regulation 1.5 shall furnish COCOBOD with the underlisted particulars:

- name of the company and registered trade mark.
- date of incorporation;
  - nature of business;
  - major shareholders of the company;
  - names of directors and management personnel;
  - registered head office address; and
  - banker's reference.

3.3 Licences shall be for an initial period of two years, renewable annually subject to the continued satisfaction of the registration and operational requirements and compliance with the regulations contained herein.

3.4 Licensing and annual renewal shall be for a fee to be prescribed from time to time by COCOBOD.

3.5 Where companies licensed to export cocoa are unable to do so on their own, they may have the cocoa exported on their behalf by any other licensed exporter or CMC.

## · OPERATIONAL REQUIREMENTS

4.1 All sales contracts entered into by licensed exporters themselves or on their behalf shall be registered with COCOBOD.

4.2 External buyers shall be members of either the London or New York cocoa association or other recognised cocoa associations and should demonstrate to the licensed exporter a strong financial standing verifiable through the normal banking channels.

4.3 All exports shall be effected with the appropriate set of documents that meet any and all the legislation of Ghana on export in general and export of cocoa in particular as well as meet the import regulations of the country of destination.

4.4 The licensed exporter shall present the appropriate shipping documents concerning the sales contract to the Bank of Ghana or any other Bank according to the regulations in force concerning the collection and repatriation of the proceeds from cocoa exports.

4.5 All shipments from Ghana shall be supervised by competent bodies at the points of loading and discharge.

4.6 No licensed exporters shall export or attempt to export or have exported on its behalf more than the quantity of cocoa they are permitted to export.

4.7 All licensed exporters shall submit monthly returns to COCOBOD not later than seven days after the end of the month indicating tonnages exported, value, destination and grade of cocoa. The format for the submission of the returns is attached as Annex 1.

4.8 For purposes of taxation, repatriation and retention of proceeds, beans delivered to local processors by licensed exporters shall be priced according to guidelines issued by the Export Sales Committee referred to under regulation 5.

## · EXPORT PRICE

5.1 There shall be established an EXPORT SALES COMMITTEE to advise:

- exporters on external market trends and prices.
- COCOBOD on the modalities for determining the sharing of export quotas.
- on the delivery and pricing of cocoa to local processors.

5.2 The Export Sales Committee shall be made up of a representative each of the following.

- COCOBOD - Chairperson
  - Ministry Of Finance
  - CMC
  - Bank of Ghana
  - Licensed Cocoa Exporters

5.3 Decisions of the Committee shall be made available to Licensed Exporters only and shall be treated with utmost confidentiality.

## · QUALITY CONTROL

6.1 The Quality Control Division (QCD) of COCOBOD shall be responsible for ensuring that cocoa for export meet all appropriate national and international quality standards.

6.2 Pre-shipment samples of cocoa meant for export shall be taken by QCD for bean count analysis and grading to determine quality and the appropriate quality certificate issued.

6.3 The QCD shall fumigate every consignment of cocoa prior to shipment  
And issue a fumigation certificate for each parcel.

6.4 The QCD shall disinfest cocoa storage facilities as and when deemed necessary.

6.5 COCOBOD shall negotiate with the licensed exporters the appropriate fees chargeable for services rendered by QCD.

## · PENALTY

7.1 Licensed exporters who contravene any of the Regulations herein shall suffer the revocation of their licence, without prejudice to any prosecution which they would be liable to suffer under any other enactments on account of the breach on their part of any such Regulations.

7.2 Any licensed exporter who fails to use its licence for two consecutive years shall have its licence suspended for one year. If during the time of suspension it does not make arrangements to have the licence restored, the licence shall be withdrawn.

7.3 Any licensed exporter who fails to meet its contractual obligations to buyers shall have its licence revoked.

7.4 Where the licence has been revoked, the licensed exporter may re-apply for licence to export after two crop years.

7.5 Where a licence is revoked, any outstanding commitments of the company shall be fulfilled by the company through other licensed exporters.

## · APPEAL PROCEDURE

8.1 There shall be a Board of Appeal to which a persons aggrieved by decisions of COCOBOD under these Regulations may have the right to appeal.

8.2 The Board of Appeal shall be appointed by the Minister responsible for cocoa and shall consist of:

- A Chairman, who shall be a lawyer of the standing not below that of a High Court Judge.
- A representative of the Ghana Chamber of Commerce.
- An expert in Cocoa Marketing.

8.3 Decisions of the Board of Appeal shall be final.

## · AMENDMENTS

9.1 The above Regulations are subject to such legislation, amendments, additions, and bye-laws as may from time to time be issued by the Government and/or Ghana Cocoa Board.

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