FEDERAL NEGARIT GAZETTE
OF THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

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PROCLAMATION NO. 1051 /2017
A PROCLAMATION TO PROVIDE FOR COFFEE MARKETING AND QUALITY CONTROL

WHEREAS it has become necessary to establish a sustainable and traceable coffee marketing and quality control system which enables supply of quality, voluminous and competitive unfrosted and value added coffee to the global market;

WHEREAS, it has been found necessary to establish modern, legal and fair alternative coffee transaction system, in order to boost the benefits of coffee producers, transaction actors and the country;

NOW, THEREFORE, in accordance with Article 55 (1) of the Constitution of the Federal Democratic Republic of Ethiopia it is hereby proclaimed as follows:
SECTION ONE
GENERAL PROVISIONS

1. Short Title

This Proclamation may be cited as the “Coffee Marketing and Quality Control Proclamation No.1051/2017”.

2. Definition

Unless the context requires otherwise, in this Proclamation:

1/ “coffee” means the fruit of a coffee tree or parts of such fruits in whatever form and processing;

2/ “red cherry coffee” means the red fruit of a coffee tree picked after it is naturally ripened but not pulped;

3/ “coffee with pulp” means a red cherry coffee picked timely and dried in bed or a place made by cement or in other technically allowed means but not hulled;

4/ “washed coffee with parchment” means red cherry coffee which has been pulped, fermented or not washed and dried with its husk through allowed technical procedures set by the Authority or relevant regional states;

5/ “washed coffee” means red cherry coffee which has been removed its sticky mucilage and parchment through allowed technical procedures set by the Authority or relevant regional states;

6/ “semi-washed coffee” means dried and pulped red cherry coffee with its sticky mucilage through allowed technical procedures set by the Authority or relevant regional states;
7/ “natural or sun dried coffee” means coffee with pulp hulled, cleaned and sorted through allowed technical procedures set by the Authority or relevant regional states;

8/ “special coffee” means coffee certified in its special production, process and quality by standards of relevant organ and sell in a better price than the other coffees;

9/ “supply coffee” means coffee processed by industries located in the production area for delivery directly to the Ethiopia Commodity Exchange or export processing industries;

10/“export coffee” means raw, roasted, roasted and grinded or processed in other value added form in compliance with the country’s export quality standard and buyer needs for export;

11/“coffee by product” means coffee mixed with light, broken, under developed coffee and coffee husk;

12/“domestic consumption coffee” means coffee not exportable, consisting a total of 15% pure coffee and coffee by product.

13/“traditionally processed coffee” means coffee processed using outdated methods of wood or stone grinder, which does not fit export level;

14/ “coffee supplier” means a person who, is certified and licensed to trade coffee by the appropriate regional states, upon meeting the required criteria, collects prepares and processes coffee with pulp or red cherry coffee from auction
centers or producers integrated with legal and developmental auctions or from his own farm or from members of cooperatives for delivery to the Ethiopia Commodity Exchange or directly to exporters with lawful transaction line or export market;

15/ “coffee producer and exporter” means a person who has obtained certificate of competence and coffee export business license from appropriate government organ either by collecting from his own farm or out growers in accordance with law, and coffee cooperatives collected from its members and exports coffee in compliance with the export quality and standards;

16/ “coffee exporter” means a person who, upon being licensed to trade coffee by the appropriate government organ, and upon purchasing coffee from the transaction integrated lawful line or the Ethiopian Commodity Exchange, processed and exports coffee in compliance with the export quality and standards;

17/ “first level coffee transaction center” means a center of transaction for red cherry coffee or coffee with pulp transaction upon being authorized by appropriate government organ of the coffee producing areas;

18/ “other alternative coffee transaction” means a special coffee transaction option which is different from Ethiopian Commodity Exchange transaction, verified and authorized by the Authority in accordance with law to enable improvement of coffee quality and helps to obtain better price and benefits to producers and transaction actors;

19/ “coffee transaction” means the lawful buying and selling of coffee in first level coffee transaction centers, exchange market, foreign market or in other alternative transactions
19/ "coffee quality control" means inspection and control of the picking, transaction, processing, storage, roasting or roasting and grinding, packaging and transportation of coffee, in accordance with acceptable norms and quality standards, to ensure delivery of coffee to consumers in its natural state;

20/ "coffee processing" means a process which includes washing coffee, semi washed coffee and natural and sun dried processing of coffee in first level and export processing industries in accordance with the country’s quality and grade requirements and the buyers’ needs as per the authorized technical procedures;

21/ "value added industries “means industries that roast or roast and grind or process in other forms of coffee product for domestic or export market;

22/ "value added coffee processing” means the process of roasting, roasting and grinding or changing in to various forms per the authorized technical procedures;

23/ “coffee producer” means small-scale coffee farmers, coffee farmers’ co-operatives and commercial growers;

24/ “coffee quality inspection and grading center” means a
“coffee trade” means acts including buying coffee from producers or produce, processing and supplying to the Ethiopia Commodity Exchange, exporting row or roasted or roasted and grind export coffee;
31/ “export coffee roaster” means a person who has obtained certificate of competence and business license from appropriate government organ to purchase export coffee from the Ethiopia Commodity Exchange, or from other transaction options or collects from his own farm and roasts or roasts and grinds coffee for export market by maintaining appropriate standard;

32/ “domestic coffee roaster” means a person who has obtained a certificate of competence and business license from appropriate regional government organ to purchase domestic consumption coffee from the Ethiopia Commodity Exchange, and roasts or roasts and grinds coffee for sale in the domestic market;

33/ “Out growers scheme” means a legal relationship between certified coffee producer investors in coffee development and borderline and nearby coffee farmers based on mutual interest through extension services and technological support for improvement of productivity and production quality and transaction;

34/ “competence certificate” means a legal document issued by the appropriate government organ that certifies the ability of a person to carry out coffee transaction, process, store, roast, roast and grind, pack and transport;

35/ “coffee packaging” means a packaging of processed coffee with appropriate materials to transport from one place to another in allowed technical procedures by the Authority or regional body to protect wastages and quality defects of
with a device or substance into a sack or a container of a
41/“Seal” means an act of sealing, closing or packing of coffee.

42/type of storing or transporting of coffee;

43/and fulfilling the requirements set, engaged in coffee

44/“Authority” means the name and the appropriate

45/36/“mixed coffee processing” means a process of mixing
different types of coffee in accordance with the own trade

46/37/“export coffee processing” means an appropriate agreement

47/38/“coffee” means a well or dry cover and one of pulped

48/“Red cherry coffee” means coffee with pulp or washed coffee with

49/Red cherry coffee, decaffeinated, stored coffee by product which

50/prescription, initial, decaffeinated, stored coffee by product which

51/with a device or substance into a sack or a container of a

52/“Seal” means an act of sealing, closing or packing of coffee.

53/type of storing or transporting of coffee;

54/Authority as to the price, quantity, quality level, process

55/“Authority” means the name and the appropriate

56/36/“mixed coffee processing” means a process of mixing
different types of coffee in accordance with the own trade

57/37/“export coffee processing” means an appropriate agreement

58/38/“coffee” means a well or dry cover and one of pulped

59/“Red cherry coffee” means coffee with pulp or washed coffee with

60/prescription, initial, decaffeinated, stored coffee by product which

61/Red cherry coffee, decaffeinated, stored coffee by product which
vehicle or a train to transport to commodity exchange or export coffee processing industries or value added industries or wholesaler or port or from processing industries to other processing industries;

42/ “Authority” means the Ethiopian Coffee and Tea Authority established by the Council of Ministers Regulation;

43/ “executing organ” means the Ministry, the Authority or Ethiopia commodity exchange or a regional or federal executing organ authorized by law to execute a regulation and directive issued for the proper execution of coffee marketing and coffee quality in accordance with this Proclamation;

44/ “relevant regional organ” means regional Coffee and Tea Authority or other organ designated with the same power and function;

45/ “regional state” means any State referred to in Article 47 of the Constitution of the Federal Democratic Republic of Ethiopia and includes the Addis Ababa and Dire Dawa city administrations;

46/ “Ministry” or “Minister” means the Ministry or Minister of Agriculture and Rural Natural Resources, respectively;

47/ “person” means any natural or juridical person;

48/ any expression in the masculine gender includes the feminine.

3. Scope of Application
This Proclamation shall apply to any person who directly or indirectly involves in coffee marketing and quality control.

SECTION TWO

COFFEE QUALITY CONTROL AND MARKETING PROCESS

4. Coffee Quality Control Process

1/ The legally designated regional quality control organ shall:

a) Inspect transaction of red cherry coffee and coffee with pulp in first level or other transactions options, based on the set standard quality.

b) Inspect and supervise competence of coffee processing industries and supervise the handling, storing and processing are carried out in accordance with appropriate technical procedure.

c) Inspect the locality of production and pre-release document and send with release document as closed with seal to the legal destination and follow up its end.

2/ The coffee quality inspection and grading center shall verify that the coffee arrived is properly sealed and grade through an appropriate examination based on a representative sample.

3/ The Authority shall send the sealed graded coffee to the export coffee processing industries after the necessary document is completed and shall supervise its process.
5. **Coffee Transaction Process**

Coffee transaction shall take place as follows:

1. Red cherry coffee or coffee with pulp between small-scale farmers or commercial growers, coffee suppliers or cooperative associations or out growers or value adding industries.

6. Other inspection center allowed by the Ethiopian Commodity Exchange or the Authority shall seal and send domestic consumption coffee to consumer regions upon verification of grading and issuance of a certificate.

7/ The Authority shall decide on complaints presented in domestic and export coffee quality inspection and leveling.

3. If supply coffee does not fit for export level, between a coffee supplier and a wholesaler or between a domestic coffee supplier and a coffee roaster.

4. The Authority shall inspect that the coffee is prepared in accordance with the standards set for mixed coffee processing containing the characteristics and name of agro-ecology of its production area before it is exported.

5. The Authority shall send to the port for consignment the sealed and certified coffee, grade by coffee quality inspection and leveling center and shall follow its end.
4/ if it is coffee by product, between an exporter and a domestic consumption wholesaler or a domestic coffee roaster and a wholesaler or between a domestic coffee roasters in transaction centers;

5/ supply coffee transaction in the Ethiopia Commodity Exchange shall be carried out on the basis of the grade and point issued by private coffee quality inspection and grading centers and based upon complete ownership descriptions;

6/ without prejudice to the provisions of sub-article (2), (3) and (4) of this Article, supply coffee transaction in other alternative transactions shall be conducted with registration, in Authority in accordance with a regulation to be issued for the execution of this proclamation;

7/ coffee sold in the Ethiopia Commodity Exchange or other transaction options shall be sent to the processing industries for export preparation with the details of relevant information;

8/ supply coffee starting from the date of grading shall be sold on vehicle in accordance with permitted procedures of the Ethiopian Commodity Exchange or store and with description of ownership;

9/ coffee not sold on a vehicle with in the limited duration, may be stored only in the Ethiopia Commodity Exchange or in allowed enterprises that provide warehousing services with description of ownership;

10/ coffee for domestic consumption shall be traded for wholesalers or domestic coffee roasters only in the Ethiopia Commodity Exchange by auction;
11/ cherry coffee or coffee with pulp transaction shall be made with commercial coffee growers and small scale farmers through coffee out growers contractual agreement in accordance with the regulation issued for the execution of this Proclamation;

12/ coffee exporters shall register to National Bank of Ethiopia and notify to the Authority, the export coffee contracts of coffee purchased from the Ethiopia commodity Exchange or in other alternative transaction or produced in their own farm and coffee roasted, roasted and grinded sold in foreign market;

13/ graded and value added export coffee only can be sold in foreign exchange in domestic market to promote the natural taste and origin in accordance with the place and time stated in the regulation.

14/ industries engaged in value addition may import raw coffee from abroad in accordance with a regulation to be issued following this Proclamation.

6. **Coffee Husk Transaction**

1/ In accordance with the certificate of competence provided by the appropriate regional body or the Authority, any coffee producer or processor or a person who legally buys coffee, may deliver the processed coffee parchment to domestic or foreign market.

2/ Without prejudice to the sub-article (1) of this Article, a person who has a license from relevant government organ may use coffee husk for making natural fertilizer or changing it to other products.
SECTION THREE
OBLIGATIONS OF TRANSACTING ACTORS

7. Obligations of Person Involved in Coffee Transaction

Any person involved in coffee transaction shall:

1/ conduct a transaction of red cherry coffee and coffee with pulp only in transaction centers or coffee processing industries which are allowed by the appropriate regional organ;

2/ if supply coffee transaction takes place in other alternative transaction options outside Ethiopia Commodity Exchange, the coffee type, quality standard, quantity, price and date shall be registered and carried out in the Authority;

3/ unless it is allowed in special directive by the Authority, acquire a certificate from the coffee quality inspection and grading center before submitting supply coffee to domestic coffee transaction;

4/ ensure, before loading supply or export coffee for transportation, that a vehicle and its driver comply with competence standard;

5/ submit competence certificate issued by the Authority or the appropriate regional organ;

6/ submit a representative sample from the coffee prepared for transaction when so requested for quality inspection purposes;

7/ get a legal letter of release before transporting any red cherry coffee and coffee with pulp from the transaction center permitted by the Authority or appropriate regional organ to pulp or hull coffee industries;
8/ have appropriate executive body seal and issue a letter of release when transporting any supply or export coffee;

9/ maintain a register of the daily coffee exchange quantity, grade, price and list of purchase and disclose such register to the Authority or relevant inspection and cooperate when physical presence for site visit or inventorying is required;

10/ refrain from all acts that may damage the good name of the country’s coffee and respect the quality standards of the country;

11/ comply with and cause to implement all regulations, directives and procedures enacted by the appropriate body for the proper execution of this Proclamation.

8. Obligation of Coffee Producers

Any coffee Producer shall:

1/ except farmer, hold valid competence certificate and trade license from appropriate government organ,

2/ without prejudice sub-article (1) Article 5 of this Proclamation, have the right to directly export coffee from his own farm, only after submitting the same to the coffee quality inspection and grading center for grading before and after processing for export;

3/ without prejudice sub-article (1) of this Article, if transaction takes place in domestic market in the Ethiopia Commodity Exchange or other alternative transaction center shall cause to grade by the Coffee quality inspection and
4/ buy coffee from small-scale farmers through development and transaction relation, provide extension technology support, pay better price or share profit after sale in accordance with their contract;

5/ sell coffee by product in the Ethiopia Commodity Exchange, only after having examined by coffee quality inspection and grading centers;

6/ coffee bought in the Ethiopia Commodity Exchange or other alternative transaction centers, and or the coffee produced by self or collected from out growers scheme shall be exported within in determined period of time,

9. **Obligation of Coffee Suppliers**

Any coffee supplier shall:

1/ purchase, process, transport and keep the natural state and origin of red cherry coffee or coffee with pulp only in the area designated and shall not mix it with coffee of other agro ecologies;

2/ within 8 hours, process red cherry coffee into washed parchment coffee, semi-washed coffee, or sun dried coffee in accordance with the technical process required by the Authority;

3/ deliver processed supply coffee to the Ethiopia Commodity Exchange or other alternative transaction center for sale or export before the next harvest;
Any coffee exporter shall:

1/ hold valid competence certificate and trade license from appropriate government organ;

2/ process export coffee in accordance with the country’s quality standard, for export;

3/ maintain the name, characteristics and place of origin of export coffee, except in cases of mixing processes, registered under special permission of the Authority;

4/ ensure that the supply coffee submitted to coffee quality inspection and grading center or sold directly to the exporter or exported directly by himself, complies with quality standards and has a moisture amount or content to be determined in-accordance with a regulation to be issued following this proclamation.

5/ sell in the Ethiopia commodity exchange, if it is export coffee graded by the coffee quality liquor and inspection centers;

6/ hand over to the buyer, if it is sold in other alternative transaction;

7/ store in licensed commercial warehouses not involved in the coffee trading business in case he wants to wait for better price;

8/ hold certificate of competence showing his readiness from the relevant regional organs, before the beginning of the new transaction year.

10. **Obligations of Coffee Exporters**

Any coffee exporter shall:

1/ hold valid competence certificate and trade license from appropriate government organ;

2/ process export coffee in accordance with the country’s quality standard, for export;

3/ maintain the name, characteristics and place of origin of export coffee, except in cases of mixing processes, registered under special permission of the Authority;

4/ register the contract within 24 hours, at the National Bank of Ethiopia, and notify the same to the Authority within three working days;
11 Obligations of Domestic Consumption Coffee Wholesalers

Any domestic consumption coffee wholesaler shall:

1. not purchase, sell or transport export coffee;
2. only purchase domestic consumption coffee from the Ethiopia Commodity Exchange or in other alternative transaction centers, unless it is specially allowed by the appropriate government organ;
3. hold valid competence certificate and trade license from the Ethiopia Commodity Exchange;
4. transport and sell domestic consumption coffee purchased from the Ethiopia Commodity Exchange to the domestic zone or city where he is licensed for wholesaling;
5. sell coffee by product letter from export coffee in the auction centers or in the Ethiopia Commodity Exchange;
6. not purchase, sell or transport export coffee without prejudice to the extension of a contract permitted by the National Bank of Ethiopia upon showing of sufficient reasons, perform the contract on the due date.
7. not submit export coffee graded by the coffee quality inspection and grading center, for domestic sale in the Ethiopia Commodity Exchange or in other alternative transaction centers, unless it is specially allowed by the appropriate government organ.
8. without prejudice to the extension of a contract permitted by the National Bank of Ethiopia upon showing of sufficient reasons, perform the contract on the due date.
## Obligations of Export Coffee Roasters

Any person who engages in the roasting or roasting and grinding of export coffee shall have obligation to:

1. hold valid competence certificate and trade license from appropriate government organ;

2. obtain his input coffee from his own farm or purchase from the Ethiopia Commodity Exchange or directly buy from

sealed, obtain a letter of release, show on demand, obtain assurance from the relevant organ and provide it to the Authority that the coffee has reached sealed;

3. not purchase, or transport, or hold export coffee;

4. offer only sell domestic consumption coffee in retail shop or place licensed for retail;

5. maintain a register of coffee transaction and disclose on demand.

## Obligations of Domestic Consumption Coffee Retailers

Any domestic consumption coffee wholesaler shall:

1. hold valid competence certificate and trade license from appropriate government organ;

2. only purchase domestic consumption coffee from domestic consumption wholesaler or domestic coffee roaster;

3. not purchase, or transport, or hold export coffee;

4. only sell domestic consumption coffee in retail shop or place licensed for retail;

5. maintain a register of coffee transaction and disclose on demand.
without prejudice to the input and output ratio of the processed
roasted export coffee, provide coffee by-product leftover of
raw and roasted export coffee to the domestic roaster or
grocery retailers or service providers of hot coffee.

3) not to sell the export roasted or grinded coffee to the domestic
market; unless it is permitted by the Authority on grounds of
force measure;

4) except in cases of mixed coffee processes and trade mark
registered by the permission of the Authority, export coffee
without mixing with different types of coffee by maintaining
the nature and name production place or origin.

5) register at the National Bank of Ethiopia within 24 hours and
to notify the Authority within three working days, the
conclusion of a contract of sale of roasted and ground coffee;

6) label on the packaging of the processed export roasted and
grounded coffee, the name of country of production, quality
level, content, production and expiring date, type of coffee and
the trade mark;

7) prepare the packaging and the export roasted or grinded and
the country and needs of the buyer company;

8) without prejudice to the extension of a contract by the
National Bank of Ethiopia upon permission by the Authority.
10/ maintain a register of purchase of coffee, process and sell and provide them when requested by the Authority and other relevant organs.

11/ import raw coffee from abroad in accordance with a regulation to be issued following this Proclamation.

14. Obligations of Domestic Consumption Coffee Roasters

Any person who engages in domestic roasting and grinding of coffee for selling shall have the obligation to:

1/ hold valid competence certificate and trade license from appropriate government organ;

2/ purchase coffee permitted for domestic consumption from the Ethiopia Commodity Exchange and roast or, roast and grind and supply only for domestic market;

3/ purchase coffee permitted for domestic consumption from the Ethiopia Commodity Exchange and roast or, roast and grind and wholesale on the current domestic market price;

4/ not store the roasted or, roasted and ground coffee more than its consumption period;

5/ label on the packaging of the processed domestic consumption roasted and ground coffee the name of enterprise produced, quality level, content, production and expiring date, type of coffee and its trade mark;

6/ obtain certificate of competence from the appropriate government organ and renew it on time;

7/ prepare the packaging and the export roasted or, roasted and ground coffee by maintaining appropriate quality standards of the country;

8/ maintain a register of purchase of coffee, process and sell and provide them when requested by the Authority and other relevant organs.
15. **Obligations of Service Provider Engaged in Processing and Selling Coffee as a Food or Drink**

Any service provider engages in processing and selling coffee as a food or drink for domestic consumption shall have the obligations to:

1/ have certificate of competence from the appropriate government organ and renew it on time;

2/ buy the coffee only from domestic consumption coffee wholesaler or retailer or distributor of roasted or, roasted and grinded coffee; unless permitted in special condition by the Authority;

3/ not to purchase or transport or hold or use export coffee; unless permitted by the Authority in special condition;

4/ maintain a register of purchase of coffee, process and sell and provide them when requested by the Authority and other relevant organs.

16. **Obligations of Coffee Processing and Warehousing Service Providers**

Any service provider who engages in coffee processing and warehousing shall obligations to:

1/ have certificate of competence upon fulfilling requirements issued by relevant organ and renew on time;

2/ properly process the coffee received in accordance with the quality standards of the country and as per the terms of the contact entered and deliver same to the owner with evidence of appropriate type, quantity, quality and grade of the coffee;

3/ store coffee received for storage in accordance with the
contract entered into;

4/ ensure the legality of the coffee received for processing and not to receive and process coffee released without recognition of the Authority or relevant organ;

5/ obtain certificate of clearance of environmental pollution from appropriate environmental pollution control office if it is engaged in coffee pulping, cleaning and sorting, export coffee processing, roasting or roasting and grinding.

17. Obligations of Coffee Transport Service Providers

Any owner of a vehicle or driver or agent engages in coffee transport service shall, as appropriate, have obligations to:

1/ have certificate of competence for the vehicle pursuant to the requirements provided in regulation and directives issued by the Authority in collaboration with relevant organ and renew on time;

2/ on that day report to a lawful organ of the locality and produce evidence if a vehicle sustained malfunctions or crime is committed against the vehicle while transporting coffee;

3/ verify before loading the coffee that the coffee has been prepared for transportation in conformity with this Proclamation;

4/ transport the coffee he received from its place of consignment to its destination without breaking the seal and tearing the canvas and by preserving its quality;

5/ not to hold on the parts of the vehicle additional coffee or other substance that may affect the quality of coffee, other than those permitted to transport;

6/ supervise the vehicle from illegal acts if transfer in contracts of rent or in others form to third party.
18. Power of the Authority

Without prejudice to the powers vested in it under other laws and the provisions of this Proclamation, the Authority shall have

1/ authority to identify, based on study conducted in collaboration with relevant justice and security organs, any warehouse, dwelling house, premises, or any other place on sufficient ground of suspicion of the existence of illegal coffee, with the view to ensure compliance with this Proclamation or regulations and directives.

2/ authority to inspect, seal, suspend or seize with court warrant or in cases of urgent circumstances without court warrant in accordance with criminal procedure law in collaboration with relevant justice and security organs.

3/ authority to grant certificate, conduct quality inspection, issue letter of release, and issue production or trade certificate, in respect to coffee, and to preserve the power of the Authority.

4/ authority to inspect coffee transactions and take appropriate action in the absence of its consent.

5/ authority to authorize export of coffee for purposes of sampling or trade fair.

MISCELLANEOUS PROVISIONS
23. Prohibitions and Penalties

Any coffee processor who fails to comply with technical directives; and subject to the right of the owner of the coffee to appeal to the court; confiscate and sale such coffee where such coffee is ascertained illegal;

6/ without prejudice to sub-article (5) of this Article, the Authority or appropriate regional organs before make decision they shall be verify and pass decision on the coffee seized through suspect;

7/ suspend or revoke certificate of competence of coffee transaction actor, who is found distorting the transaction process or who lacks competence, pursuant to regulations and directives issued to prevent him from receiving the service and notify the same to the appropriate body;

8/ determine and execute by issuing directive the amount and implementations of commission to be paid to whistle blowers and who report and seize illegal coffee transactions, movements and storage.

19. Prohibitions and Penalties

1/ Any coffee processor who fails to comply with technical procedure provided by the Authority or an appropriate regional body and thereby causes damage to the quality of the coffee or to the local community shall, without prejudice to the closure of his processing plant and prohibition of his product not to be supplied for transaction, be punished with rigorous imprisonment not less than one year and not exceeding three years and a fine from Birr 20,000 to Birr 40,000.
2/ Any coffee transaction actor who buys or sells coffee outside the Ethiopia Commodity Exchange or other optional transaction centers established by Authority shall, without prejudice to the confiscation of his coffee, be punished with rigorous imprisonment not less than one year and not exceeding three years and a fine from Birr 20,000 to Birr 40,000.

3/ Any person who is engaged in coffee transaction and stores coffee out of the specified time and place without prejudice regulation, to the confiscation of his coffee, be punished with rigorous imprisonment not less than one year and not exceeding three years and a fine from Birr 20,000 to 40,000.

4/ Any person who sells coffee or processed roasted and grind coffee of an export standard in the domestic market without special permit of the Authority shall, without prejudice to the confiscation of the coffee, be punished with rigorous imprisonment not less than three years and not exceeding five years and a fine from Birr 60,000 to 100,000.

5/ Any person who commits deceiving act in relation to coffee quality or marketing directly or indirectly, intentional or by negligence to procure to himself or to another person illegal benefit shall be punished with rigorous imprisonment not less than three years and not exceeding five years and a fine from Birr 60,000 to Birr 100,000.
6/ Any person, who stores coffee in places other than those allowed by the Authority or an appropriate regional body shall, without prejudice to confiscation of the coffee, be punished with rigorous imprisonment not less than three years and not exceeding five years and a fine from Birr 60,000 to Birr 100,000.

7/ Any person who transports coffee other than the rout line leads to destination and permitted by the Authority or an appropriate regional body shall, in addition to confiscation of the coffee and the vehicle, be punished with rigorous imprisonment not less than three years and not exceeding five years and a fine from Birr 60,000 to 100,000.

8/ Any transporter who received coffee to transport and breaks the seal or tears the canvas or change the quality and types of coffee or reduce its amount shall be punished with rigorous imprisonment not less than three years and not exceeding five years and a fine from Birr 60,000 to 100,000.

9/ Any driver who loads, on the parts of the vehicle, additional coffee or any other product or mixes coffee with other commodity shall, without prejudice to confiscation of the additional coffee and other product or commodity, be punished with simple imprisonment not less than six months and not exceeding three years and a fine from Birr 10,000 to 40,000.

10/ Any person who is engaged in coffee transaction or directly or indirectly connected to coffee transaction is sells, buys, stores
and process, roast and grind, transport illegal coffee or cooperate with and thereby hides or damages coffee shall be punished with rigorous imprisonment not less than one year not exceeding three years and a fine from Birr 20,000 to 40,000.

11/ Any person who engages in buying of red cherry coffee with pulp for cleaning and sorting, without permission of the Authority or an appropriate regional body, in the places where washing coffee processing industries are found shall be punished with rigorous imprisonment not less than one year and not exceeding three years and a fine from Birr 20,000 to 40,000.

12/ Any coffee transaction actor who has been issued with certificate of competence, if assigns an agent to act on his behalf by claiming force majeure, without approval of the Authority or an appropriate regional body shall, without prejudice to the revocation of his certificate of competence, shall be punished with rigorous imprisonment not less than one year and not exceeding three years and a fine from Birr 20,000 to 40,000.

13/ Any person who acts as agent and engages in transaction activity without obtaining certificate of competence to engage as agent from the Authority or an appropriate regional body shall be punished with rigorous imprisonment not less than one year and not exceeding three years and a fine from Birr 20,000 to 40,000.

14/ Any transporter who diverts coffee legally release not to reach
its destination of processing industries, or to the Ethiopia Commodity Exchange warehouse or to port or reduces or add its volume or type or quality shall be punished with rigorous imprisonment not less than five years and not exceeding ten and a fine from Birr 100,000 to 200,000.

15/ Any person who is engaged in the coffee trading business or directly or indirectly connected to the coffee trading business if uses the confidential information he obtained due to his official or employee position that may distort coffee transaction or quality, to procure illegal benefit for himself or to other person, shall be punished with rigorous imprisonment not less than one year and not exceeding five years and a fine from Birr 20,000 to 40,000.

20. Punishment Applicable to Legal Persons

A legal person which participates in the commission of criminal offence stipulated under Article 19 of this Proclamation, as provided in Article 34 of the Criminal Code, shall be punishable in accordance with Article 90 of the Criminal Code.

21. Jurisdiction

1/ The Federal First Instance Court shall have jurisdiction on criminal matters provided under article 19 and 20 of this proclamation.

2/ The Federal First Instance Court shall have jurisdiction on coffee civil matters.
22. Repealed and Inapplicable Laws

1/ The Coffee Quality Control and Marketing Proclamation No. 602/2008 is hereby repealed.

2/ No proclamation, regulation, directive or customary practices shall, in so far as they are inconsistent with the provisions of this Proclamation, have effect on matters provided under this Proclamation.


1/ Notwithstanding sub-article (1) of Article 21 of this Proclamation, pending cases shall be finalized pursuant to the provisions of the previous Proclamation.

2/ Any certificate of competency issued before the coming into force of this Proclamation shall be deemed to have been issued as per this Proclamation, until replaced by a new certificate of competency issued by the competent authority in accordance with the provisions of this Proclamation.

24. Power to Issue Regulations and Directives

1/ The Council of Ministers may issue regulation necessary for the implementation of this Proclamation.

2/ The Authority may issue directives necessary for the implementation of this Proclamation and regulations issue pursuant to sub-article (1) of this Article.

3/ The Regional States may issue laws necessary for the implementation of this Proclamation.

4/ The Ethiopia commodity Exchange and Ethiopia Commodity Exchange Authority may issue directives necessary for the implementation of this Proclamation and regulations issued pursuant to sub-article (1) of this Article with respect to coffee trading on the Ethiopia Commodity Exchange.
25. **Effective Date**

This Proclamation shall enter into force up on the date of publication in the Federal Negarit Gazette.

Done at Addis Ababa, this __ day of July, 2017

MULATU TESHOME (Dr.)

PRESIDENT OF THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA