

Draft of Code of Conduct for FFFAI (AVK-31012022)

1. **Acceptance of work of a client to whom services have been provided by another member:** A member may accept the work of a new client. However, if the client has been obtaining services previously from another member, then the member who so intends to accept the work of the client should obtain a **NO DUES CERTIFICATE** from the member, who has been providing services to the client that there are no **legitimate dues** outstanding to be paid by the client to that member for the services provided to the client by him. It will be binding on the member, who has been providing services to the client to provide a **NO DUES CERTIFICATE** to the member who intends to accept the work of that client within 5 working days or else send to him a Statement of Outstanding Amount due to him from that client. For better explanation a Client would mean a Importer/ Exporter/ Freight Forwarder/ Consolidator/ Shipping Line/ Air Line or any other entity to whom the member provides service.

2. **Legitimate Dues:** Legitimate dues in this case, dues which arise our bills raised on the client as per agreed rates supported by written contract signed by both parties or by submission of offer in writing and acceptance of that offer. It is expected that any member who takes up any work of his client has prior to taking up the work has submitted a written offer in writing and has obtained the acceptance of his offer in writing from his client or has a written contract in place, signed by both his client and himself. It is expected that bills raised on the client by the member are as per agreed rates and any changes in existing charges or new charges as the case may be are approved and agreed by the client in writing.

3. **Time frame to provide No Dues Certificate:** A member will forthwith provide NO DUES CERTIFICATE to another member who intends to accept work of the client whom the member was providing service.

4. **Onus in case of declining of No Dues Certificate:** If a the member who was providing services to a client declines to provide a NO DUES CERTIFICATE to another member regarding the client, the onus is on him to clearly establish that his legitimate dues are pending from the client.

5. **Conditions to establish legitimate dues:** In order to establish that his legitimate dues are outstanding, the member who was providing services to a client, should have submitted all his bills to the client with supporting receipts and relevant documents pertaining to the transaction to his client, having acknowledgement of receipt or proof of delivery thereof as evidence of the same.

6. **Consideration of Credit Period:** The outstanding payments must indeed be due for payment considering the credit period, if any, the member has agreed with client for settlement of payment.

7. **Efforts for Recovery of Dues:** The member should have taken necessary efforts, which may include but not limited to submission of statement of outstanding bills/ ledger to his client from time to time, sending reminders for recovery of outstanding dues

8. **Cases where declining of No Dues Certificate is justified:** If the member is able to establish that:

- He has billed his client for charges as per agreed terms or contract.
- The credit period for payment of the bills is over.
- He has sent statement of outstanding bills to his client from time to time
- He has sent reminders to his client for recovery of outstanding dues.

Then the member will be justified in decline to issue a NO DUES CERTIFICATE and No other Member shall accept the work of that client unless the dispute or matter between the Client and the member, who has provided him services is settled in so far as the payment of outstanding dues is concerned.

9. **Support from Federation:** The Federation in order to assist its aggrieved member who has clearly established to the Federation beyond doubt that his legitimate dues are not paid will at the request of such

member to support him for recovery of his outstanding dues apart from other measures, which it may deem fit, by issuing a circular to its members and by any other mode cautioning members not to accept work of such client. Once such a circular is issued, circulated and published by the Federation, accepting the work of such defaulting client by a member, will be considered as harming the interest of another member and Contravention of Code of Conduct of the Federation for which Disciplinary action will be taken by the Federation against the member, who commits such a breach.

10. **Compensation to the Federation:** The Federation shall at the request of its aggrieved member act as arbitrator between the client of the member and member by sending a notice of arbitration to the client of the member. The Federation shall attempt to find an amicable settlement between the member and his client for which, **the Federation shall charge the member for its services as per pre-published rates, if settlement is arrived at.**

11. Notwithstanding the aforesaid, it will not be binding on the aggrieved member to accept the amicable settlement proposed by the Federation and the member shall be free to have recourse to any further action as he deems fit.

Name of Member:

Signature with Rubber Stamp of Proprietor/Partner/Director