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## 1. INTRODUCTION

1. This document is published by the non-profit organization *SPP Global*, which is an abbreviation of *Símbolo de Pequeños Productores Global A.C.* (Small Producers' Symbol Global). *SPP Global* formerly had the legal name of *Fundación de Pequeños Productores, A.C., FUNDEPPO*.
2. The official language for all documents associated with the Small Producers' Symbol is Spanish. In the case of any doubt arising from a translated version, the Spanish document shall be used as the only valid version.
3. This document cancels and replaces:

### **Regulations on Costs**

Small Producers' Symbol

Version 7. 06-Jul-2016

Edition 3. 15-Jun-2017

4. If you would like to see the changes between this new edition and the previous one, please consult the chart listing the changes, presented at the end of this document, and including the date effective.
5. These procedures fulfill the ISO/IEC Guide 65: 1996 General Requirements for Bodies Operating Product Certification Systems and the Guidelines from the International Accreditation Forum (IAF).
6. This document specifies the regulations, fees and basis for calculating certification and registration costs for the Small Producers' Symbol, with regard to the costs involved in certification, registration, annual enrollment and the use of the Small Producers' Symbol certification.
7. The fees for Small Producers' Symbol certification and registration services depend on the specific fees of those Certification Entities authorized by *SPP Global*.
8. These Regulations apply to Small Producers' Organizations as well as to Final Buyers, Collective Trading Companies owned by Small Producers' Organizations, and also Intermediaries and Maquila Companies, associated with the Small Producers' Symbol.
9. These regulations have been approved by the Board of Directors of *SPP Global (Símbolo de Pequeños Productores Global, A.C.)* and are subject to changes.
10. Section 3 of this document presents the fees and basis for calculating costs for Small Producers' Organizations, and Section 4 includes the fees and basis for calculating costs for Final Buyers, Collective Trading Companies owned by Small Producers' Organizations, Intermediaries and Maquila Companies. Section 5 presents specifications regarding the general provisions for payments to be made.

## 2. REFERENCES

In the application of these procedures, it is necessary to consult the current versions of the following documents:

- 1 Certification Procedures for Small Producers' Organizations
- 2 Registration Procedures for Final Buyers and other stakeholders
- 3 Guidelines for defining the Work Plan for Evaluating Compliance



### 3. COSTS FOR SMALL PRODUCERS' ORGANIZATIONS

#### 3.1. Introduction

Small Producers' Organizations pay two types of fees:

- a. **Certification Cost.** This fee covers all expenses incurred by the Certification Entity in conducting the certification process.
- b. **Annual Membership Fee.** This fee covers all of *SPP Global's* expenses for maintenance, development, quality control of the standards system, certification and registration, and the dissemination and promotion of *Símbolo de Pequeños Productores* and its market.

#### 3.2. SPP Certification Procedures

The costs of SPP certification will depend in the first instance on the **type of procedure** that the Certification Entity (CE) will apply, according to the Certification Cycle (See SPP Certification Procedures).

The main Procedures are:

- a. **Normal Document-based Procedure**
- b. **Shortened Document-based Procedure**
- c. **Complete On-Site Procedure**

#### 3.3. Certification Costs

- a. For the Normal Document-based Procedure, the following table of workdays is used:

	Up to 100 producers	101 - 250 producers	251 - 500 producers	501 - 1,000 producers	Over 1,000 producers
<b>Total Workdays</b>	2.5	2.75	3.0	3.5	3.75

- b. For the Shortened Document-based Procedure, the following table of workdays is used:

	Up to 100 producers	101 - 250 producers	251 - 500 producers	501 - 1,000 producers	Over 1,000 producers
<b>Total Workdays:</b>	0.65	0.7	0.75	0.9	1

- c. For both the Normal Document-based Procedure and the Shortened Document-based Procedure, the activities to be carried out for certification are the following:
  - i. Document-based Evaluation
  - ii. Evaluation Report
  - iii. Examination
  - iv. Cost of Control Evaluations    Costo de Evaluaciones de Control



- d. For the Complete On-Site Procedure, the following activities have been established:
  - i. Preparation for visit
  - ii. Inspection of main offices
  - iii. Inspection of complementary sites (offices, warehouses, processing plants)
  - iv. Sample of Small Producers' Organizations
  - v. Inspection of Production Units
  - vi. Preparation of Inspection Report
  - vii. Examination
  - viii. Days may be added or subtracted in accordance with various Complementary Factors
- e. To establish the number of workdays required for the Complete On-Site Procedure, it is necessary to apply *Para conocer los días que se requiere para el Procedimiento Completo In Situ, se debe aplicar el* the Annex 1 Table for calculation of workdays involved in the Complete On-Site Procedures, from the "Guidelines for defining the Work Plan for Evaluating Compliance."
- f. In specific cases, if an organization produces different products but is interested in only including one product in its certification, it may report this in its request to the Certification Entity, for the payment corresponding to the number of members that produce the product to be included in the certification, exclusively when the Document-based Procedure is applicable.<sup>1</sup>
- g. Payments made for this purpose will be non-refundable, independently of the results of the Document-based or On-Site Evaluation.
- h. When it is necessary to complete a Document-based Procedure by a field visit, the CE will make a proposal for the costs involved, based exclusively on the workdays involved in the complementary field visit for corroborating the missing information.
- i. The final cost of certification will depend on the rates charged by the specific Certification Entity<sup>2</sup> for an evaluation of the Small Producers' Symbol standards and the possible combination of this evaluation with a review of other certification programs.<sup>3</sup>
- j. The workdays for the On-Site evaluation do not include the Evaluator's daily expenses<sup>4</sup> (transportation, lodging, and food). These expenses are to be negotiated separately between the organization that is to be certified and the Certification Entity. It is possible that these expenses will be paid directly, in common agreement, partially or completely, by the organization to be certified.
- k. The costs of the certification are to be paid to the Certification Entity in question. Please confirm the bank information for this Certification Entity before making a bank deposit.

<sup>1</sup> This does not exempt the overall SPO from meeting all the criteria in the General Standard.

<sup>2</sup> These rates must be approved by *SPP Global*.

<sup>3</sup> References for Certification Entities authorized by *SPP Global* can be found at [www.spp.coop](http://www.spp.coop)

<sup>4</sup> Evaluator or Evaluators, according to the amount of work to be carried out.



### 3.4. Annual Membership Fee

- a. The **Annual Membership Fee** is the total of the following two components:
  - i. A Basic Fee that depends on the number of producer members that produce the products to be included in the certification of the Small Producers' Organization (in USD).<sup>5</sup> This revenue will be included in *SPP Global's* general revenue and administered by its Board of Directors.

Up to 100 producers	101 - 250 producers	251 - 500 producers	501 - 1,000 producers	Over 1,000 producers
\$ 150.00	\$ 187.50	\$ 375.00	\$ 562.50	\$ 750.00

- ii. A Volume Fee corresponding to 0.15% of the value of the Small Producers' Organization's invoicing for SPP products in the previous annual cycle. These funds will be allocated to the SPP's National or Regional Funds and administered by the SPP's Assembly of Small Producers' Organizations of the corresponding country or region.<sup>6</sup> This volume fee does not apply to final products sold by a Small Producers' Organization in its domestic market (see 3.5). In the case the SPP National and Regional Funds are not yet habilitated, the resources must be payed to SPP so they can be destined to the National or Regional Fund in question.
- b. In specific cases, by means of written request, if an organization produces different products but is interested in only including one product in the certification, it may ask *SPP Global* that its payment correspond only to the number of partners that produce the product to be included in the certification.
- c. The Annual Membership Fee is paid once a year to *SPP Global* "Símbolo de Pequeños Productores Global, Asociación Civil" (see annexed bank information), on the basis of annual sales reports on the corresponding forms.

### 3.5. SPP User's Fee

- a. SPP-certified Small Producers' Organizations have the right to use the SPP on final products for the domestic market, without any additional payment.
- b. In the case of final products sold by an SPP-certified Small Producers' Organization to a Buyer for the domestic or international market, see the section entitled "Cost of the Use of the Small Producers' Symbol" (4.4).

<sup>5</sup> Subject to changes.

<sup>6</sup> Based on an agreement reached in its General Assembly, *SPP Global* will also contribute the same amount of resources to these SPP National or Regional Funds.



## 4. COSTS FOR FINAL BUYERS, COLLECTIVE TRADING COMPANIES OWNED BY SMALL PRODUCERS' ORGANIZATIONS, INTERMEDIARIES AND MAQUILA COMPANIES

### 4.1. INTRODUCTION

Final Buyers (Buyers), Collective Trading Companies owned by Small Producers' Organizations (CC), Intermediaries and Maquila Companies (INT, MAQ) pay these types of fees:

- a. **Registration Fee:** Covers all expenses incurred by the Certification Entity in conducting the Registration process.
- b. **Annual Membership Fee:** equivalent to US \$500 (only Final Buyers)<sup>7</sup>.
- c. **SPP User's Fee:** (Only Final Buyers) The reference to "use" refers to both the use of the Small Producers' Symbol logo in any of its versions, and also the use of the reference to Small Producers' Symbol certification. The User's Fee is paid in relation to the value of products purchased under SPP certification.

### 4.2. SPP REGISTRATION FEE

The costs of SPP registration will depend in the first instance on the **type of procedure** that the Certification Entity (CE) will apply, according to the Registration Cycle (See SPP Certification Procedures).

The main Procedures are:

- a. **Normal Document-based Procedure**
- b. **Shortened Document-based Procedure**
- c. **Complete On-Site Procedure**

### 4.3. REGISTRATION COSTS

- a. For the **Normal Document-based Procedure**, the following table of workdays is used:

Ranges per values of SPP purchases in the previous cycle (in USD)		Workdays
Up to	3,000,000.00	1.6
3,000,000.00	10,000,000.00	1.8
10,000,000.00	25,000,000.00	2
25,000,000.00	35,000,000.00	2.2
More than 35,000,000.00		2.4

<sup>7</sup> In the case the small businesses can submit a request to SPP Global in order to receive a preferential fee, , indicating the value of the company's annual sales.



- b. For the **Shortened Document-based Procedure**, the following table of workdays is used:

Ranges per values of SPP purchases in the previous cycle (in USD)		Workdays
Up to	3,000,000.00	0.8
3,000,000.00	10,000,000.00	0.9
10,000,000.00	25,000,000.00	1.0
25,000,000.00	35,000,000.00	1.1
More than 35,000,000.00		1.2

- c. For both the **Normal Document-based Procedure** and the **Shortened Document-based Procedure**, the activities to be carried out for certification are the following:

- i. Document-based Evaluation
- ii. Evaluation Report
- iii. Examination
- iv. Cost of Control Evaluations

- d. For the **Complete On-Site Procedure**, the following activities have been established:

- i. Preparation for visit
- ii. Inspection of main offices
- iii. Inspection of complementary sites (offices, warehouses, processing plants)
- iv. Preparation of Inspection Report
- v. Examination
- vi. Days may be added or subtracted in accordance with various Complementary Factors

- e. To verify the days required by the CE for each type of work, see the information in the Annex 1 Table for calculation of workdays involved in the Complete On-Site Procedure, from the "Guidelines for defining the Work Plan for Evaluating Compliance."
- f. When it is necessary for a Document-based Procedure to be complemented by a field visit, the CE will make a proposal for the costs involved, based exclusively on the expenses incurred in the complementary field visit for corroborating the missing information.
- g. The final cost of Registration may vary due to different factors, such as the rate of a specific Certification Entity<sup>8</sup> for an evaluation of the Small Producers' Symbol standards, and the possible combination of this evaluation with a review of other registration processes.<sup>9</sup>

<sup>8</sup> These rates are subject to approval by *SPP Global*.

<sup>9</sup> References for the various Certification Entities authorized by *SPP Global* can be found at [www.spp.coop](http://www.spp.coop)



- h. The workdays for the On-Site evaluation do not include the Evaluator's<sup>10</sup> daily expenses (transportation, lodging, and food). These expenses are to be negotiated separately between the entity that is to be registered and the Certification Entity. It is possible that these expenses are paid directly, in common agreement, partially or completely, by the entity that is to be registered itself.
- i. The costs of the registration are to be paid to the Certification Entity in question. Please confirm the necessary information for this Certification Entity before making a bank deposit.

#### **4.4. Annual Membership Fee**

- a. Final Buyers pay an Annual Membership fee of US \$500<sup>11</sup>.

#### **4.5. Small Producers' Symbol User's Fee**

- a. In the case of purchases of raw materials or semi-final products, the cost of the use of the Small Producers' Symbol for Final Buyers is a User's Fee by volume of 1.75% of the value of the SPP minimum price (including the SPP Incentive and Organic Recognition) of the purchases made by the Final Buyer, corresponding to their sale under Small Producers' Symbol certification.
- b. In the case of final products produced in the country of origin, the following user's fee must be paid:
  - i. Three-fourths of 1.75% of the value of the purchase of the set of SPP-certified ingredients (not including packaging, processing, etc.) when the product is purchased directly from a certified SPO.
  - ii. 1.75% of the value of the purchase of the set of SPP-certified ingredients (not including packaging, processing, etc.) when the product is purchased from an Intermediary or Maquila Company from the country of origin.
- c. User's fees do not need to be paid by Buyers who purchase final products of Small Producers' Organizations from the same country, with the SPP label for the domestic market, if the following conditions are met:
  - If used exclusively for selling to final consumers.
  - If its name or brand is not used on the product.
- d. Final Buyers who decide to not place SPP on their packaging for consumers will verify their in-kind promotion of the SPP through an amount equivalent to 0.25% of the value of purchases (for example: Promotion Activities, Brochures, Information on internet, linked to SPP products).
- e. In the specific case of bananas, the payment of fees will be made according to the following payment scheme:
  - 1. During the first year following Registration, only 33% of the total fee will be paid.

<sup>10</sup> Evaluator or Evaluators, according to the amount of work to be carried out.



2. During the second year following Registration, 66% of the total fee will be paid.
  2. After the second year following Registration, 100% of the total fee will be paid.
- f. Only in the case in which it is not completely clear for what part of the product purchased is the Small Producers' Symbol to be used, the fee paid will be based on an estimate of the part for which the Small Producers' Symbol (SPP) will be used. Such estimates may only be used after obtaining authorization, in response to a request made with due justification. If authorization is granted, a tentative payment will be made, and when the final amount of the product for which the SPP will be used is determined, an adjustment will be made on the next payment corresponding to actual use.
  - g. Payment of the User's Fee is to be made every three months, with respect to the volume of the product purchased (to be sold) under the Small Producers' Symbol during the period just concluded.
  - h. User's fees will be paid to *SPP Global* ("Símbolo de Pequeños Productores Global, Asociación Civil") (see annexed bank information).

## 5. GENERAL TERMS OF PAYMENT

- a. The costs mentioned in this document do not include possible value-added taxes or other types of taxes.
- b. The money transfer commissions of the bank are to be paid by the payer.
- c. The time period during which payment may be made consists of a maximum of 21 calendar days, beginning on the date on which *SPP Global* sends the form with the payment item and amount.
- d. After 21 calendar days, a monthly interest rate of 5% will be charged. This does not mean the time period established for making the payment has been extended.
- e. Expenses generated by refunds made due to deposits made erroneously to *SPP Global's* bank account will be paid by the sender.
- f. Regarding payments to *SPP Global*, they may be made in the following three currencies: US dollar, Mexican peso, or Euro.
- g. For transfers and deposits within Mexico, please use *SPP Global's* bank account in Mexican pesos (see *SPP Global's* bank details annexed).
- h. In the case of payments to *SPP Global* through international bank transfers, *SPP Global's* bank account in US dollars or its bank account in Euros may be used.
- i. If Euros are used to pay *SPP Global*, the amount to be paid must be equivalent to the specified amount in dollars, using the exchange rate specified on the day the payment is made, as published by the European Commission: [http://ec.europa.eu/budget/inforeuro/index.cfm?fuseaction=currency\\_historique&currency=201&Language=en](http://ec.europa.eu/budget/inforeuro/index.cfm?fuseaction=currency_historique&currency=201&Language=en)
- j. If Mexican pesos are used to pay *SPP Global*, the amount to be paid must be equivalent to the specified amount in dollars, using the exchange rate specified on the day the payment is made, as published by the Bank of Mexico at: <http://www.banxico.org.mx/portal-mercado-cambiarior/index.html>



## Regulations on Costs

*Small Producers' Symbol*

Version 8. 2019-04-01

Edition 1. 2019-04-01

- k. Commissions: The sender will need to take responsibility for paying for the commissions corresponding to the transaction, the amount of which will depend on the particular Banking Institution. The amount to be deposited in the receiving account (SPP accounts) must be received in full. If not, the remaining amount due will be added to the next invoice.
- l. IVA: In the case of deposits made within Mexico, and in accordance with Mexico's fiscal provisions, all payments must include the withholding Added-Value Tax (*Impuesto sobre el Valor Agregado--IVA*).<sup>12</sup> The payment amount made in any currency must be equivalent to the percentage currently established by Mexico's Tax Administration System (*Sistema de Administración Tributaria—SAT*) of the net amount to be deposited, in accordance with an invoice.
- m. After a deposit or transfer is made to *SPP Global's* bank account, the receipt should be uploaded into D-SPP and *SPP Global's* operations office should be notified so that the payment will be acknowledged.

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<sup>11</sup> At the time that this edition of the Regulations on Costs was published, it was 16%.



## 6. CHANGES FROM THE PREVIOUS EDITION OF THE DOCUMENT

Previous document:

**Regulations on Costs**

Small Producers' Symbol

Version 7. 2016-07-06

Edition 3. 2017-06-15

#	Changes	Reason	Type of Change	Date Effective
1	Calculation of membership fees for SPOs was changed, including a volume fee.	Agreement at VII General Assembly to strengthen local SPP structures.	Content	2019-04-01
2	User's Fee was increased and unified for Final Buyers, including a volume fee.	Agreement at VII General Assembly to build SPP's global capacities for consolidation and growth.	Content	2019-04-01
3	Direct payment to the local SPP in France was eliminated.	Agreement at VII General Assembly to unify international financing system and strengthen SPP Regional structures, especially for Europe.	Content	2019-04-01
4	Membership fee for Final Buyers was introduced.	Agreement at VII General Assembly to guarantee minimum contributions and formalize membership in SPP system for Final Buyers.	Content	2019-04-01
5	Calculations for volume fees are based on current SPP minimum prices (including premiums for the SPP Incentive and Organic Recognition) and calculations are no longer based on the contractual value of SPP transactions.	Agreement at VII General Assembly to simplify payment system and prioritize payment of prices that are higher than SPP minimum prices.	Content	2019-04-01
6	The specific user's fee for coffee was eliminated.	Agreement at VII General Assembly to simplify and standardize the system.	Content	2019-04-01



**Annex: SPP Global's bank and transfers details**

<b>Complete Name of Account Holder:</b>	<b>SÍMBOLO DE PEQUEÑOS PRODUCTORES GLOBAL, A.C.</b>	
<b>Complete Address of Account Holder:</b>	Guanajuato 131, interior 302, Colonia Roma Norte, Delegación Cuauhtémoc, C.P. 06700, México D.F. , MÉXICO  As of April 1, 2019: Calzada de Tlalpan #3267, Interior 304, 3er piso, Colonia Santa Ursula Coapa, Código Postal 04650, Coyoacán, Ciudad de México, México.	
<b>Complete Name of Bank:</b>	<b>BBVA BANCOMER</b>	
<b>Complete Address of Bank:</b>	Calzada de Tlalpan #4317, Colonia San Lorenzo Huipulco, Código Postal 14050, Tlalpan, Ciudad de México, México.	
<b>SWIFT Code:</b>	BCMRMXMMPYM	
<b>ACCOUNT TYPE</b>	<b>ACCOUNT NUMBER*</b>	<b>INTERBANK CODE *</b>
ACCOUNT IN MEXICAN PESOS	168815402	012 180 001688154023
ACCOUNT IN DOLLARS	168858497	012 180 001688584978
ACCOUNT IN EUROS	178774951	012 180 001787749517
In the case of payments for less than US \$1,000.00 ( <b>only for payment of Annual Membership for SPOs</b> ), these payments may be made through <b>Western Union</b> or <b>Money Gram</b> . In these cases, specific information should be requested from <i>SPP Global's</i> operations office.		

\*When making a bank transfer, it is necessary to check with the particular bank to verify if only the **Account Number** or the **Interbank Code** are required.