



**FEDERATION OF EAST AFRICAN FREIGHT FORWARDERS ASSOCIATIONS**

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## **CODE OF CONDUCT**

### **PREAMBLE**

- Having as one of its primary objectives, the promotion of ethical, efficient and professional practice among clearing and forwarding agents (CFAs) and all other professionals within the freight logistics industry in the region;
- Recognizing that unethical, unprofessional or illegal conduct by any operator has adverse repercussions on the reputation and functioning of the industry as a whole;
- Embracing its mandate to achieve and maintain uniformly high professional and ethical standards throughout the freight logistics industry in Eastern Africa,
- Consistent with article of 9 its Constitution

The Federation of East African Freight Forwarders Associations (hereinafter referred to as “FEAFFA”) and its constituent member National Associations have agreed to enforce the following Code of Conduct among their members.

### **ARTICLE 1– DEFINITIONS**

For the purposes of this Code of Conduct:

**“Board”** means the Board of Directors, Executive Committee or other policy-making entity acting collectively in accordance with the quorum and voting provisions for meetings of such entity.

**“Clearing and Forwarding Agent” or “CFA” means:**

- (i) any member or associate member (natural or legal) of FEAFFA or its constituent national associations; and

- (ii) any person engaged on behalf of the owner, charterer or operator of cargo in providing clearing and forwarding services, including but not limited to making arrangements for Customs and cargo documentation and/or packing, consolidating or forwarding of cargo.

**“National Association”** means any one of Association des Burundaise des Agencies en Douane et Transitaires (ABADT), The Kenya International Freight and Warehousing Association (KIFWA), Association des Agencies en Douane au Rwanda (ADR) (ADR), Uganda Freight Forwarders Association (UFFA) and the Tanzania Freight Forwarders Association (TAFFA) and any other organization constituted for the purposes of:

- (i) Providing a central organization for those engaged in the profession of Clearing and Forwarding Agents;
- (ii) Establishing and upholding standards of conduct and practice for the profession as may assist them in the discharge of their duties; and
- (iii) Regulating and monitoring conduct of members and enforcing disciplinary action as necessary,

**“Professional Examination”** means the examination passing of which is required by FEAFFA and/or the constituent National Association on subjects specifically related to the Clearing and Forwarding profession in order to demonstrate competence in the field.

## **ARTICLE 2 – OBJECTIVES**

By promoting and enforcing this Code of Conduct, FEAFFA aims to:

- (i) uphold a high standard of business ethics and professional conduct among Clearing and Forwarding Agents (CFAs) and all other professionals within the freight logistics industry across Eastern Africa;
- (ii) ensure a high level of professional education and experience essential to provision of efficient services;
- (iii) encourage operation of financially sound, stable and accountable Clearing and Forwarding Agents;
- (iv) combat corruption, freight logistics fraud, illicit trade and trafficking of goods and persons, including unsafe or controlled substances; and
- (v) Provide a framework through which national associations can monitor and enforce integrity and professionalism in their various jurisdictions.

- (vi) promote healthy competition among operators in the industry.
- (vii) provide the basis for regulating behavior and framework for dealing with errant operators and resolution of disputes.
- (viii) Protect and promote the reputation and good public image of the clearing and forwarding industry.

### **ARTICLE 3 - PROFESSIONAL QUALIFICATIONS**

To be considered professionally qualified, and to be accredited to the practice on his or her own, a Clearing and Forwarding Agent must:

- (i) Have fulfilled the prerequisites and passed such Professional Examination(s) as required by FEAFFA and/or the relevant National Association. The scope and details of such examination(s) shall be determined by the said entities.
- (ii) Have attained competence by long experience the level of which shall be determined by FEAFFA and/or the relevant National Association.
- (iii) Be of good moral standing, be able to demonstrate his good reputation among others in his or her geographical area of activity, and not have been convicted before any tribunal on accusation of fraud, corruption or tax evasion.

In the case of a corporate entity, employ such persons professionally qualified as above to ensure the proper performance of the entity's functions

### **ARTICLE 4 – FINANCIAL STANDING AS A QUALIFIED CLEARING AND FORWARDING AGENT.**

To be considered financially sound, a corporate entity (and where practicing alone, an individual Clearing and Forwarding Agent) must:

- (i) Be legally registered and hold and maintain current all business, tax and regulatory permits required by law;
- (ii) Operate from a permanent address with all the necessary facilities and equipment to conduct business in an efficient, thorough and timely manner;
- (iii) Have financial resources adequate to its business (evidenced by references from banks, financial institutes or auditors) to the satisfaction of FEAFFA and/or the relevant national association;
- (iv) Maintain detailed and authentic financial records, following generally accepted accounting principles and maintaining appropriate control policies and procedures;

- (v) Arrange a detailed annual audit by an established, registered and qualified accountant;
- (vi) Have adequate property and liability insurance through a registered and established insurance company to cover all professional liabilities.
- (vii) Shall submit annual returns to the Secretariat on a standard form as shall be determined by FEAFFA and/ or relevant national association. The National Association shall reserve the right to verify any information provided in the annual returns.

#### **ARTICLE 5 - CODE OF PROFESSIONAL CONDUCT**

The Clearing and Forwarding Agent shall:

- (i) Discharge his or her duties to his or her principal(s) with honesty, integrity and impartiality;
- (ii) Perform in a conscientious, diligent and efficient manner all services undertaken as a CFA ;
- (iii) Refuse any business that the CFA is unsure he or she can perform competently, diligently and in the time required;
- (iv) Exercise due diligence to ensure that goods handled are maintained at the standard of care required to ensure their safety and quality on delivery, particularly in matters concerning food storage and handling, facility maintenance and the handling of dangerous or controlled substances;
- (v) Observe all national laws and other regulations relevant to the duties he or she undertakes and take reasonable care not to knowingly engage with parties who conduct illegal or unethical business;
- (vi) Promote a professional business environment, avoiding violence, discrimination, harassment and intimidation of and against principals, employees and colleagues;
- (vii) Protect the privacy and confidentiality of his or her principal(s) and only disclose non-public information regarding his or her principal and/or the principal's business if required by law or if failure to do so would result in a crime or in imminent and serious bodily harm to the principal, the CFAs or a third party;
- (viii) Refrain from fraudulent practices, including but not limited to:

- Forgery or illegal alteration of any document;
  - Misappropriation of funds or destruction of property whether tangible to intangible;
  - False, fictitious or misleading entries or reports; and
  - False or misleading statements to those investigating irregularities other misconduct.
- (viii) Refrain from directly or indirectly paying or receiving a bribe or kickback or conferring any benefit intended to influence the conduct of any public or quasi-public official or any political figure;
  - (ix) Exercise due care when handling monies on behalf of his or her principal(s) and not misappropriate or deal dishonestly with the principals' money or other property;
  - (x) Apply monies received from the principal or any other party only for the purposes for which they are intended;
  - (xi) Disclose to the principal any conflict of interest that may arise in the conduct of the Clearing and Forwarding Agent's duties and refrain from making any secret or inappropriate profit or commission from his or her transaction with the principal;
  - (xii) Promptly return any goods, monies, documents or other property belonging to the principal on termination of contract and refrain from retaliation against any principal for termination;
  - (xiii) Deal truthfully with principals and other Clearing and Forwarding Agents and refrain from making any claim known by the Clearing and Forwarding Agent to be false; and
  - (xiv) Refrain from retaliation against a principal or any other person for reporting or substantiating misconduct by the Clearing and Forwarding Agent.
  - (xv) At the time of contracting or at the earliest opportunity possible, provide the principal with a set Standard Trading Conditions.
  - (xvi) All members of FEAFFA are committed to full compliance with all respective government Laws ,Rules, and Regulations that may apply to their activities
  - (xvii) Any illegal activity, including fraud and corrupt practices is strictly forbidden and if proven will result in immediate cancellation of membership and notification to the relevant authorities and all parties concerned

## **ARTICLE 6 PROCEDURES FOR HANDLING COMPLAINTS AND ENFORCING DISCIPLINE.**

### **6.1 Handling Complaints**

- (a) Members are encouraged to forward in writing their concerns of any knowledge of potential, suspected or actual violation of this code to the Secretariat. Such concerns shall be of inter-associations or cross border nature and will be confidentially investigated.
- (b) Upon receipt of a written complaint on alleged breach of the Code of Conduct, the Secretariat will wherever possible, acknowledge in writing within 48 hours.
- (c) The Secretariat will simultaneously write to the member against who a complaint has been made requiring a response within 7 working days.
- (d) If the accused member confirms or the Secretariat deduces from the written response that there is a breach, the Secretariat requires such Member to remedy the breach where possible.
- (e) If the accused does not respond per notice in (b) above or the breach cannot be remedied, the Secretariat shall immediately notify the Convenor of the Disciplinary Committee. The Convenor shall convene a meeting of the Committee within 7 working days and the Secretariat will accordingly notify the accused.

However, if the Convenor, in his discretion determines that the offence is not of a serious nature he will:

- (i) Endeavour to secure commitment of the offending party to comply or to desist from further breach.
- (ii) Refer the matter to the Committee if his efforts do not resolve the issue satisfactorily.

### **6.2 Procedures by Disciplinary Committee**

- (a) Members will be summoned in writing by the Secretariat to appear before the Committee, with the Committee's express authority consistent with procedures above.
- (b) Such notice shall wherever possible be not more than seven (7) working days.

- (c) The member so summoned shall be represented by the Chief Executive and in the absence of the Chief Executive by the next highest-ranking Officer who nevertheless will produce specific letter of authority from the Member.
- (d) brief outline of the complaint, where possible, the name of the complainant and requesting the Member to A member, who without a valid reason, upon being so summoned, fails to appear before the Committee, shall automatically be subject to penalties as stipulated under Article 7 hereof and further subject to Article 8 thereof. The Committee shall exercise its discretion to impose the penalties.
- (e) If the Committee is satisfied with the explanation given by the accused Member at the meeting, it will instruct the Secretariat to advise the two parties within seven (7) days accordingly.
- (f) If the complaint is found to be without basis, the Committee may deem it appropriate to caution, in writing, the complainant or demand a written apology.

#### **ARTICLE 7 – ENFORCEMENT**

FEAFFA and/or the relevant National Association shall collaborate to ensure that these rules are complied with and shall determine the appropriate disciplinary measures applicable in event of misconduct. These penalties shall be determined and enforced by a duly constituted disciplinary committee, and may include:

- 1. A written warning to the Clearing and Forwarding Agent;
- 2. A requirement for an undertaking as to the Clearing and Forwarding Agent's future conduct;
- 3. Temporary suspension of membership from the relevant National Association;
- 4. Temporary suspension of authorization to operate as a Clearing and Forwarding Agent (or formal written recommendation of such suspension to the relevant authority by the relevant National Association);
- 5. Expulsion of membership from the relevant National Association; or Cancellation of authorization to operate as a Clearing and Forwarding Agent (or formal written recommendation of such cancellation to the relevant authority by the relevant National Association).
- 7. Cancellation of practicing certificate.

8. The deliberations of the disciplinary committee shall be minuted and shared with the Board of FEAFFA and/or the National Association who will take appropriate action

#### **ARTICLE 8 –DISCIPLINARY ACTIONS**

1. The Board of the relevant National Association may by Special Resolution censure, suspend or expel from the association any Clearing and Forwarding Agent that fails to comply with the Code of conduct on recommendation of the disciplinary Committee.
  - (i) Any question of censure, suspension or expulsion of a Clearing and Forwarding Agent must be dealt with by a meeting of the Board of which not less than 14 days' notice shall be served on the Clearing and Forwarding Agent specifying the date, time and place of the meeting.
  - (ii) The Board must include with such notice full particulars of the facts and circumstances, which might justify action being taken by the Board.
  - (iii) The Clearing and Forwarding Agent is entitled to be heard in person or through his or her agent.
  - (iv) The procedure of the meeting is at the discretion of the Board, which is not bound by the rules of evidence and may inform itself in any manner it thinks fit.
2. Notice in writing of a resolution of the Board whereby a Clearing and Forwarding Agent is censured, suspended or expelled must be served on the Clearing and Forwarding Agent within fourteen (14) days of the completion of the hearing.
3. If a Clearing and Forwarding Agent disciplined by a national association appeals to FEAFFA, FEAFFA must convene an Arbitration Panel consisting of 5 neutral persons being:
  - (i) 2 full members of FEAFFA's Executive Committee from a country other than that of the Appellant;
  - (ii) A full member of the National Association willing so to act who was not present at the meeting of the Board against the decision of which the appeal is lodged, appointed by the Chairman of the national association.
  - (iii) Two other persons to be appointed by the president of FEAFFA



Not less than 14 days' written notice shall be served on the Appellant specifying the date, time and place of the meeting.

The Board must include with such notice full particulars of the facts and circumstances, which might justify action being taken by the Board.

The Appellant is entitled to be heard in person or through his or her agent. The procedure of the meeting is at the discretion of the Arbitration Panel, which is not bound by the rules of evidence and may inform itself in any manner it deems fit.

Decisions of the Arbitration Panel are by majority vote.

4. Within twenty-eight (28) days of the completion of the hearing of the appeal, the Arbitration Panel must hand down its finding by way of written memorandum addressed to the FEAFFA Executive Board, a copy of which must forthwith be served on the Appellant by FEAFFA.
5. The enforcement of disciplinary action on any Clearing and Forwarding Agent does not preclude the aggrieved party pursuing legal action in a jurisdiction of their choice.

#### **ARTICLE 9– HARMONIZATION AND COMPLIANCE**

1. Clearing and Forwarding Agents already operating who do not meet the standards of the foregoing Code of Conduct on the date of its adoption will be required to conform by 1<sup>st</sup> January, 2009.
2. Where national laws or regulations conflict with this Code of Conduct, the more stringent provision will apply.
3. The provisions of this Code of Conduct are pass-through provisions, which bind all members of FEAFFA and its constituent member associations as well as all individual members.
4. Where a National Association has a set of rules that conflict with this Code of Conduct, The FEAFFA Code of Conduct will replace the national rules on 1<sup>st</sup> January, 2008.

***This Code of Conduct makes clear the Adherence to the law and ethical behavior. However, compliance requires a commitment by each member who must satisfy this pledge as it will signal their commitment to act in accordance with the Code.***


## Declaration

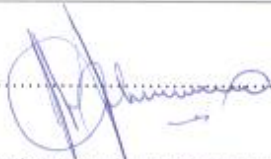
We,.....(Name of Company) certify that we have read the Code of Conduct and understand that we individually and severally must adhere to its terms and conditions and report promptly any action that appears inconsistent with the terms and conditions herein.


Name of officer Signing.....Designation.....


Signature.....Stamp/seal..... Date.....

*Signed by Chairpersons of National Associations and the President of FEAFFA at the Novotel, Bujumbura on this Thirtieth day of May in the year two thousand and seven*

Signature.......... Date.....01.06.2010.....  
Chairman  
Association des Burundaise des Agencies en Douane et Transitaires

Signature.......... Date.....  
Chairman  
Association des Agencies en Douane au Rwanda

Signature.......... Date.....JUNE 1<sup>ST</sup> 2010.....  
National Chairman  
Kenya International Freight & Warehousing Association

Signature.......... Date.....June 1<sup>st</sup> 2010.....  
Chairman  
Tanzania Freight Forwarders Association

Signature.......... Date.....1<sup>st</sup> June 2010.....  
Chairman  
Uganda Freight Forwarders Association

Signature.......... Date.....1<sup>st</sup> June 2010.....  
President, Federation of East African Freight Forwarders Associations