

# COLOMBO TEA TRADERS' ASSOCIATION

C/o.THE CEYLON CHAMBER OF COMMERCE, P.O.Box 274, No. 50, NAVAM MAWATHA, COLOMBO 02.  
Telephone: 5588849; Facsimile: 2449352; [E-Mail ; hemaratne@chamber.lk](mailto:hemaratne@chamber.lk),

CIRCULAR NO. 01 OF 2022

January 06,2022

---

## TO BROKERS & SELLERS – FOR THE ATTENTION OF THE CEO

### BY-LAW NO. 36 - OBJECTIONS/COMPLAINTS/CLAIMS

The Committee has considered it necessary to reiterate its concerns expressed in Circular No. 05 of 2014, dated January 20, 2014, Circular No. 28 of 2014, dated August 18, 2014, Circular No. 32 of 2015, dated November 06, 2015, Circular No.03 of 2018 dated January 11,2018 and the Circular No. 08 of 2018 dated April 2018 on the captioned subject.

The incidence of complaints on quality variances, grade classifications and packaging descriptions, resulting in claims, has reached alarming levels and is seriously jeopardizing the credibility of the entire auction system. Teas accepted for sale through the Colombo Tea Auction are sold entirely on trust and are presumed to be a true representation in quality and related standards of description and packaging of the internationally renowned brand, "CEYLON TEA". It is the entire responsibility of the Brokers and Sellers to ensure the authentic representation of each and every invoice in the form of the pre-auction sample and the post-auction delivery.

In such provocative circumstances, the Committee decided, at its meeting in November 2021, to avail itself of the provision in By-Law No.36. (f), which states: ***"In the case of habitual offenders, the Association, at its discretion, from time to time, shall determine a more stringent punitive measure for imposition."*** Consequently, the following punitive measures will be implemented with effect from first sale of January 2022.

In accordance with the committee decision the current penalty of Rs. 25,000/- applied to valid quality claims made against a factory on each lot from the third offence onwards has been enhanced to Rs. 50,000/-, **ONLY** in respect of the first quarter of a calendar year. Thereafter, repeat offenders in the second, third and fourth quarters of the same calendar year, were penalized for valid quality claims made against a factory on each lot from the third offence onwards at the enhanced rate of Rs. 100,000/-. If such habitual offences continue without abatement, the Committee will be compelled to impose the more stringent punitive measure of debarment from selling teas of the offending tea factories at the Colombo Auction.

**THE SECRETARIAT  
THE COLOMBO TEA TRADERS' ASSOCIATION**