

**Regulation and Code of Conduct
Of
Nepali Herbs and Herbal Products'
Collective Trademark Using
2074 (2017)**

**Nepal Herbs and Herbal Products Association (NEHHPA)
Herbal Entrepreneurs Association of Nepal (HEAN)
Jadibuti Association of Nepal (JABAN)**

Objectives

The trademark provided by the three organisations named Nepal Herbs and Herbal Products Association (NEHHPA), Herbal Entrepreneurs Association of Nepal (HEAN) and Jadibuti Association of Nepal (JABAN) has been brought into use with the following objectives:

1. To protect the high-standard quality of Nepali herbs and herbal products.
2. To support the development of competitive capability, by increasing the export, of Nepali herbs and herbal products industry and business.
3. To assure consumers and importers about the prescribed quality of Nepali herbs and herbal products.
4. To expand and develop the international market of herbs and herbal products.

Chapter-1

Preliminary

1. Short Title and Commencement

- 1.1 This Regulation shall be called “Regulation and Code of Conduct of Nepali Herbs and Herbal Products' Collective Trademark Using, 2074.”
- 1.2 This Regulation shall come into force immediately.
- 1.3 This Regulation shall apply to members of Nepal Herbs and Herbal Products Association (NEHHPA), Herbal Entrepreneurs Association of Nepal (HEAN) and Jadibuti Association on Nepal (JABAN).

2. Definitions

Unless the subject or context requires otherwise, in this Regulation:

- 2.1 “Working Committee” means the committee formed pursuant to Clause 5.1 of Part 3. The term shall also include the Joint Committee that may be formed later by agreeing to include other associations or organisations in the committee.
- 2.2 “Association” means, separately, the Nepal Herbs and Herbal Products Association (NEHHPA), Herbal Entrepreneurs Association of Nepal

(HEAN) and Jadibuti Association of Nepal (JABAN). The term shall also include any other association or organisation that accepts this Regulation and participates in the collective mark using.

- 2.2 "Committee" means the working committee of Associations.
- 2.3 "Member" means an ordinary member of an association or organisation that is included in the Working Committee, and members pursuant to this Regulation who follow this Code of Conduct.
- 2.4 "Farmer" means a farmer who is engaged in the production of herbs and herbal products.
- 2.5 "Collector" means a person or community that carries out collection of herbs.
- 2.6 "Entrepreneur" means a person who operates a business related to herbs and herbal products.
- 2.7 "Exporter" means a person, industry or company involved in the work of exporting herbs and herbal products produced in Nepal.
- 2.8 "Sub-committee" means a Sub-committee that is formed by the Working Committee for various purposes pursuant to the Regulation.
- 2.9 "Regulation" means the "Regulation and Code of Conduct of Nepali Herbs and Herbal Products' Collective Trademark Using 2074" made by the Working Committee, and any addition, deletion, amendment and modification thereto.
- 2.10 "Label" means the Collective Trademark pursuant to this Regulation, which is made with the objective of affixing it on herbs and herbal products.
- 2.11 "Herbs and Herbal Products' Collective Trademark" means the collective trademark that the Working Committee registers with the concerned agencies.
- 2.12 "Good Collection Practice" means the practice as provisioned in Schedule- 20.
- 2.13 "Good Agriculture Practice" means the practice as provisioned in Acts, regulations and other prevailing laws by Government of Nepal from time to time.
- 2.14 "Good Processing Practice" means the practice as provisioned in Acts, regulations and other prevailing laws by Government of Nepal from time to time.

- 2.15 "Good Business Practice" means the practice as provisioned in Acts, regulations and other prevailing laws by Government of Nepal from time to time.

Chapter-2

Regulation and Code of Conduct

3. Regulation and Code of Conduct

- 3.1 Compliance with this Regulation and Code of Conduct shall be the duty of all members.
- 3.2 This Regulation and Code of Conduct shall apply equally and without discrimination to all industries and businesses affiliated with the Working Committee.
- 3.3 Members shall comply with all types of standards as provisioned in the Regulation and Code of Conduct.
- 3.4 There shall be compliance with all aspects of obligations of members under the Association's laws, as well as any addition, repeal, amendment and revision made thereto from time to time.
- 3.5 In addition to complying with the provisions of this Regulation and Code of Conduct, members must also comply with any relevant Act and Rules made by Government of Nepal from time to time.

Chapter-3

Monitoring and Evaluation Committee of Herbs and Herbal Products' Collective Trademark

4. A "Collective Trademark Monitoring and Evaluation Committee" shall be formed with the support of business associations and organisations of the private sector and the Government of Nepal, for the effective deployment of Herbs and Herbal Products' Collective Trademark.

5. Number of Members, Formation Procedure and Tenure of Collective Trademark Monitoring and Evaluation Committee

5.1 The Collective Trademark Monitoring and Evaluation Committee shall be composed of the following members:

- (a) Nominated Member from Nepal Herbs and Herbal Products' Entrepreneurs Association 2 - Member
- (b) Nominated Member from Herbal Entrepreneurs Association 2 - Member
- (c) Nominated Member from Jadibuti Association of Nepal (JABAN) 2 - Member
- (d) Representative of the Trade and Export Promotion Centre 1 - Member

5.1.1 Members shall appoint as Coordinator any one member from amongst themselves.

5.1.2 The Monitoring and Evaluation Committee may, if it deems necessary, invite any appropriate person or organization as an invitee member in addition to members pursuant to Sub-clause 5.1.

5.1.3 An employee appointed by the Working Committee shall work as Secretary of the committee formed pursuant to Sub-clause 5.1.

5.1.4 The Monitoring and Evaluation Committee shall have tenure of 3 years.

5.15 The Association shall nominate skilled and experienced persons who have been continuously involved in the business of herbs and herbal products for a long time, to the committee formed pursuant to Sub-clause 5.1. The tenure of members nominated in such manner shall be three years per tenure.

5.1.6 The tenure of representatives from the Government of Nepal shall be as determined by the concerned authority.

5.1.7 The tenure of representatives from business associations or organisations of the private sector shall be as determined by the concerned organisation.

5.2 Area of Operations

The area of operations of the Collective Trademark Monitoring and Evaluation Committee shall be as mentioned hereunder -

- 5.2.1 To monitor and evaluate whether the collective trademark has been used pursuant to the Regulation and Code of Conduct.
- 5.2.2 To identify deficiency and weakness in the Regulation and Code of Conduct, if any, in the course of the use of the collective trademark, and to notify the Working Committee to amend or reform the same.
- 5.2.3 To monitor and evaluate works and proceedings carried out by all parties relating to members using the collective trademark, such as, various committees formed pursuant to the Regulation, members of an Association, and so on.
- 5.2.4 To evaluate the effect and impact of the works and proceedings relating to the use of the collective trademark carried out by various agencies of Government of Nepal.
- 5.2.5 To evaluate the effect and impact of the works and proceedings relating to the use of the collective trademark carried out by the private sector.
- 5.2.6 To collect information, such as, the effectiveness of operations in foreign markets, the reliability and security of the use and attempts to counterfeit it, and to monitor and evaluate such acts.

5.3 Meetings

- 5.3.1 The Collective Trademark Monitoring and Evaluation Committee shall meet at least once every month.
- 5.3.2 Meetings of the committee shall be held as per necessity at the venue determined by the Coordinator.
- 5.3.3 The Secretary of the committee, pursuant to the direction of the Coordinator, shall send notice of a meeting at least seven days in advance to members of the sub-committee.
- 5.3.4 The presence of at least 51 percent members shall be deemed to fulfil the quorum requirement for meetings of the sub-committee.
- 5.3.5 The Coordinator shall preside over meetings, and in his or her absence, any member chosen by the members from among themselves shall preside over the meeting.
- 5.3.6 Decisions in meetings shall be made by consensus of the members present.

5.3.7 The Coordinator or concerned member shall not be present at a meeting that has been convened to discuss or decide upon a subject, dispute or investigation relating to the Coordinator or a member of the committee.

5.3.8 Other necessary procedures regarding meetings shall be as determined by the sub-committee itself.

5.4 Functions, Duties and Powers

The functions, duties and powers of the Collective Trademark Monitoring and Evaluation Committee shall be as follows:

5.4.1 To regularly monitor and evaluate whether all concerned parties have followed the Regulation and Code of Conduct.

5.4.2 To coordinate with all concerned parties to effectively operate the use of the collective trademark.

5.4.3 To inform the Working Committee about the monitoring and evaluation progress reports.

5.4.4 To provide necessary advice and recommendation in order to effectively operate the collective trademark.

5.5 Vacation of Office

The Coordinator of the Collective Trademark Monitoring and Evaluation Committee shall be removed from office and responsibilities under the following circumstances -

5.1 Upon leaving the Working Committee.

5.2 Upon resignation from the post of Coordinator.

5.3 Upon removal by a decision of the majority of the Working Committee, due to failure to fulfil responsibilities of office or for any other reason.

Chapter-4

Collective Trademark Management Committee

6. The Working Committee shall form a “Collective Trademark Management Committee” in order to operate day to day administrative works relating to the

use of the collective trademark. The Working Committee shall make provisions regarding the number of members, formation procedure and tenure of the Collective Trademark Management Committee

6.1. Area of Operations

The area of operations of the Collective Trademark Management Committee shall be as mentioned hereunder -

- 6.1.1 **To operate administration:** To properly operate day to day administration related to the collective trademark, subject to the scope provided by the Collective Trademark Using Regulation.
- 6.1.2 **To issue label:** To carry out the required processing of duly submitted applications for use of label, and to issue or cause to be issued the label for use by the member.
- 6.1.3 **To make recommendation for amendment of Regulation and Code of Conduct:** To make recommendations for revision and amendment of the Regulation and Code of Conduct, after taking into consideration the collective trademark's effectiveness, deficiency and weakness, practical problems and so on.
- 6.1.4 **To make recommendation for action:** To make recommendation for necessary action in the event of violation of the Regulation and Code of Conduct by a member during the course of use of the collective trademark.
- 6.1.5 **To grant permission:** To grant permission to members for the use of the collective trademark, and to grant permission for the use of the collective trademark label as per requirement.
- 6.1.6 **To hear and collect complaints:** To collect comments, advice and recommendations of members and to hear complaints of members regarding the use of collective trademark, and to resolve such complaints.
- 6.1.7 **To inspect and monitor:** To carry out or cause to be carried out inspection and monitoring of whether the collective trademark has been used in a systematic and proper manner.
- 6.1.8 **To test and examine products in which the label is or is to be affixed:** To test and examine whether the products that use the collective trademark comply with the standards prescribed in the Regulation.
- 6.1.9 **To manage the printing of labels:** To have collective trademark labels printed as per requirement.

6.1.10 **To manage the registration and renewal of collective trademark:** To make provision for registration in various foreign countries and for renewal of the same.

6.2 Meetings

6.2.1 Meetings of the Management Committee shall be held at least once every month.

6.2.2 Meetings shall normally be held at the Secretariat of the Working Committee.

6.2.3 Three days' prior notice of meetings shall be sent to members of the committee by the office Secretary pursuant to directions of the Coordinator.

6.2.4 The presence of at least 51 percent members shall be deemed to meet the quorum requirement for meetings of the committee.

6.2.5 The Coordinator shall preside over meetings, and in his or her absence any member chosen by the members from among themselves shall preside over the meeting.

6.2.6 Decisions in meetings shall be made by consensus of the members present.

6.2.7 The Coordinator or the concerned member shall not attend a meeting that has been called to discuss or decide upon a subject, dispute or investigation regarding the Coordinator or the member of the committee.

6.2.8 Necessary procedures regarding meetings shall be as determined by the committee itself.

6.3 Functions, Duties and Powers

The functions, duties and powers of the committee shall be as follows:

6.3.1 To efficiently carry out or cause to be carried out the day to day administration relating to the collective trademark, to make decisions as per necessity in the course of performing work and to have such decisions endorsed by a meeting of the Working Committee of the association, subject to the scope provided by the Collective Trademark Using Regulation.

- 6.3.2 To make recommendations for revision or amendment of the Regulation and Code of Conduct, after taking into consideration the collective trademark's effectiveness, deficiency and weakness, practical problems and so on, and to implement the same.
- 6.3.3 To make recommendations to meetings of the Working Committee to take necessary action for any violation of the Regulation and Code of Conduct during the use of the collective trademark by a member. To implement decisions of the Working Committee.
- 6.3.4 To permit members to use the collective trademark, and to permit the use of the collective trademark label as per necessity. To mandatorily maintain records of the label in the office.
- 6.3.5 To collect responses, opinions and recommendations from members relating to the use of collective trademark. To hear complaints of members, and to discuss upon and resolve such complaints. To submit the complaint to the Working Committee if it is of a serious nature.
- 6.3.6 To carry out or cause to be carried out routine inspection and monitoring of whether the collective trademark has been used in systematic and correct manner, and to make provision for human resources required for the same.
- 6.3.7 To carry out or cause to be carried out testing and examination of whether the products that use the collective trademark have used it according to the standard and format specified in the Regulation.
- 6.3.8 It shall be the responsibility of this committee to have the collective trademark labels printed as per necessity and to make provision for their distribution. To make provision for human resources required for the same. Also, to obtain necessary approval from the Working Committee regarding the quantity of labels to be printed and the records thereof.
- 6.3.9 To make provision for registration of the collective trademark in various countries and for renewal of the same.

Chapter-5

Roles and Responsibilities of Working Committee

7. Roles and Responsibilities

The roles and responsibilities of the Working Committee relating to registration and use of the collective trademark shall be as follows:

- 7.1 The Working Committee shall be an apex authority with regard to registration and use of the collective trademark.
- 7.2 To develop coordinative relationships with domestic and foreign associations and organisations in order to register and effectively operate the collective trademark.
- 7.3 To systematise the process of registering and operating the collective trademark pursuant to the charter of the Association, the Collective Trademark Regulation and Code of Conduct as well as the prevailing statutes of Nepal.
- 7.4 May file petition at the concerned authority against the concerned member after reviewing the nature of violation of the Regulation and Code of Conduct of Herbs and Herbal Products' Collective Trademark.
- 7.5 To determine the number, appointment, removal and terms of services, facilities and responsibilities of the human resources necessary for the effective use of the collective trademark.
- 7.6 To manage the amounts collected from the use of the collective trademark.

Chapter-6

Nepali Herbs and Herbal Products' Collective Trademark Using Regulation and Code of Conduct's Violation and Penalty and Punishment

8. Violation

Failure to comply with the following procedures shall be deemed to be violation of the Regulation and Code of Conduct:

- 8.1 If any member does not comply with the Regulation and Code of Conduct pursuant to Clause 3 of Chapter 2.

- 8.2 If the collective trademark is used without fulfilling the procedures relating to the use of the collective trademark as prescribed by the Regulation.
- 8.3 If the collective trade mark is used in products without complying with the format prescribed by the Regulation, and is used arbitrarily.
- 8.4 If the collective trademark is not used within the agreed upon stipulated time, and is kept unused.
- 8.5 If it is proved that the trademark issued by the Working Committee has not used in their own product by members but has been given to third parties for use.
- 8.6 If it is found that the collective trademark has not been used in products compliant with the standards determined by the Regulation, and has been used in products having lower quality.
- 8.7 If it is found during monitoring by the Collective Trademark Management Committee that the concerned member has violated the Regulation and Code of Conduct.
- 8.8 If the particulars provided for implementation by the Collective Trademark Management Committee is not implemented because of disagreement with the same, if clarification is not submitted when demanded, and if clarification is not submitted within the stipulated time.
- 8.9 In this regard, an opportunity to be absolved shall be given. If the Management Committee is not satisfied with the clarification submitted by the concerned party, or if the concerned party does not submit a response.

9. Penalty and Punishment

- 9.1 Members who do not comply with the provisions of Clause 12 shall be liable to penalty and punishment.
- 9.2 If a member is deemed to have violated the Code of Conduct, the Federation may, upon recommendation of the Managing Committee, impose any of the following punishment, after taking into consideration the gravity of violation, practicability and the recommendations of the Management Committee.
 - 9.2.1 Notify.

- 9.2.2 Impose a fine of up to Rs. 10,000/- (Rupees Ten Thousand).
- 9.2.3 Suspend the use of the collective trademark for a definite period of time.
- 9.2.4 Prohibit the use of the collective trademark, and issue any other directive necessary under the circumstance.
- 9.2.5 Suspend membership for a maximum period of one year.
- 9.2.6 Terminate membership.
- 9.2.7 Black list, and inform domestic and foreign authorities.
- 9.2.8 The Management Committee may make public through newspapers the punishment imposed pursuant to Sub-clause 9.2.5 through 9.2.7.

Chapter- 7

Maintaining Quality

10. Quality to be Maintained

- 10.1 It shall be duty of all members to use good agriculture practice in the collection and production of quality herbs and herbal products, in order to maintain quality.
- 10.2 When maintaining quality in products for purposes of the collective trademark, members shall comply with the standards as provisioned in Schedule-01.
- 10.3 Products that do not comply with Schedule-01 shall not be deemed to be quality products.
- 10.4 It shall be the duty of members themselves to maintain quality pursuant to Schedule- 01.

- 14.5 It shall be the liability of members themselves to adapt the internal management of an industry or business to maintain the prescribed quality, should such adaptation be required.
- 10.6 The Working Committee shall carry out supervision, inspection and monitoring from time to time regarding whether or not members have maintained quality. Such actions may be performed by providing or without providing prior information to members.
- 10.7 It shall be the duty of the concerned members to provide support to the inspection team during inspection.

Chapter- 8

Provisions on Monitoring and Inspection

11. To Conduct Monitoring and Inspection

- 11.1 The Collective Trademark Management Committee shall conduct frequent on-site monitoring and inspection related to whether the label has been properly used.
- 11.2 Monitoring and inspection may be carried out in either manner, by providing or without providing prior information to the concerned members.
- 11.3 It shall be the duty of every member to provide information and support on all matters inquired about or investigated during monitoring and inspection.
- 11.4 Monitoring and inspection shall be carried out on all aspects, such as, use of label, its stock and method of affixing label.
- 11.5 If the monitoring and inspection team finds it appropriate to test the quality of a product that uses the label, it may issue orders for examination of such a product. The team shall inform the Collective Trademark Management Committee about the issuance of such an order.
- 11.6 The concerned member shall not affix label on and export such products in the period pending the report of examination pursuant to Sub-clause 12. Such export, if proven, shall be deemed to be violation of the Regulation and shall be punishable pursuant to the Clause 9.

- 11.7 The Committee shall make provision for necessary resource persons for the monitoring and inspection team from within or outside of the Association.
- 11.8 The Collective Trademark Management Committee shall prepare the terms of reference for and grant responsibilities to the monitoring and inspection team pursuant to Clause 11.7.
- 11.9 After performing the responsibilities of monitoring and inspection, the team shall prepare a report and submit it to the Collective Trademark Management Committee.
- 11.10 On the basis of the report of the team, the Collective Trademark Management Committee shall make provisions for action as per necessity.
- 11.11 In addition to the monitoring and inspection team, the Collective Trademark Management Committee shall make provision for regular monitoring and inspection by its own human resource.

Chapter- 9

Quality Test

12. To Test the Quality

- 12.1 Members shall test whether the quality of raw materials used in products prepared to be exported complies with Schedule-01.
- 12.2 It shall be the liability of members themselves to test or have tested for quality compliance pursuant to Schedule- 01.
- 12.3 Members shall submit to the Working Committee the certificate of test conducted pursuant to Sub-clause 12.1 along with sample of the product examined.
- 12.4 Test conducted pursuant to Sub-clause 12.1 shall, with regard to Nepal, be performed by a laboratory recognised by Government of Nepal.
- 12.5 If the quality test certificate is made available along with the products, and evidence of the finished products having been made from the same goods is submitted to the Working Committee, then performance of acts pursuant to Sub-clause 12.4 shall not be required.
- 12.6 If evidence is submitted to the Working Committee pursuant to Sub-clause 12.5, the Working Committee may test the product before issuing the label if it deems appropriate to test the product.

- 12.7 It shall not be mandatory to issue label for products found to be non-compliant with Schedule-01 subsequent to tests conducted pursuant to Sub-clause 12.6.
- 12.8 The Working Committee may issue label only after completion of procedures from Sub-clause 12.1 to Sub-clause 12.7.

Chapter - 10

Label

13. To issue label

- 13.1 Prior to applying for use of label to the Working Committee, the concerned member shall prepare the self declaration form containing details of products and shall obtain the certificate of quality pursuant to Schedule-01 from a laboratory recognised by Government of Nepal.
- 13.2 If a product is submitted along with the certificate of quality test, such product shall be of quality pursuant to Schedule-01. In addition, such certificate shall contain all details about the examination carried out during the quality test.
- 13.3 For the use of label, members shall submit application pursuant to Schedule- 09 at the office of Working Committee, along with evidence of quality pursuant to Schedule-01.
- 13.4 For purposes of Sub-clause 13.1, the Working Committee shall issue the label only if application is duly submitted.
- 13.5 For purposes of Sub-section 13.3, members shall complete procedures pursuant to Schedule- 06, 07 and 08.
- 13.6 The Working Committee shall not be obliged to issue label to members if the application is not duly received.
- 13.7 The Working Committee shall maintain record of labels pursuant to Schedule-10, subsequent to issuance of labels pursuant to Sub-clause 13.4.
- 13.8 When requesting for label for the second time, the concerned member shall present details of the number of labels previously received.
- 13.9 In consideration of the possibility of improper use of the label, the Working Committee may at any time conduct examination by either of

the two methods, namely, by demanding for accounts of the use of label from members or by conducting on-site tests.

- 13.10 The Working Committee may send a product for re-testing if it deems it appropriate to examine the quality of the product in which a member uses the label. The Working Committee shall not be obliged to issue label to the concerned member in the period pending the result of such test.

Chapter – 11

Use of Label

14. Use of Label

- 14.1 Only members of the Working Committee and members of the Association may participate in the use of label.
- 14.2 Entrepreneurs who have not obtained membership of the Association but wish to use the label, shall obtain membership of the Working Committee and membership of the Association prior to submitting application for use of label.
- 14.3 The Working Committee shall not be obliged to issue label to any entrepreneur who has not obtained membership of the Association.
- 14.4 Members of the Association who obey the Regulation and Code of Conduct may use the label on their products pursuant to Schedule-05.
- 14.5 Concerned members may affix the collective trademark label simultaneously with their business label.
- 14.6 Members shall affix the label pursuant to Schedule-05 in such manner that the label is clearly visible on the product's packing.
- 14.7 Label shall be affixed on each specified product.
- 14.8 All procedures as provisioned in the Regulation must be completed when affixing labels. Members who act in a whimsical manner other than as provisioned, shall be liable for such acts.
- 14.9 Failure to comply with Sub-clause 14.8 shall be deemed to be violation of the Regulation and Code of Conduct, and shall be liable to action taken pursuant to Clause 4.

- 14.10 The Collective Trademark Monitoring and Evaluation Committee shall carry out monitoring from time to time in order to determine whether the label is being used in proper manner.
- 14.11 In the course of monitoring pursuant to Sub-clause 14.10, members who are found to have violated the prescribed rules shall be liable to action taken pursuant to Section 4.

Chapter - 12

Provisions on Service Fee and Fund

15. Fee for Use of Label

- 15.1 It shall be the duty of every member to pay fee pursuant to Sub-clause 15.2, for the regular monitoring of implementation of this Regulation, use of the “Collective Trademark” and its regular supervision, remuneration of human resources necessary for implementation of the Regulation and any other expenses incurred when implementing this Regulation.
- 15.2 For the use of label, members shall pay service fee per label at the rate determined by the Committee.
- 15.3 The Committee may, as per circumstances, increase or decrease the fee for the use of label.

15.4 Fee Payment Procedure:

- 15.4.1 Members shall make payment for use of label by cash, bank cheque or draft. The Working Committee shall provide the name of the bank or financial institution and the account number.
- 15.4.2 Members shall make lump sum payment of the fee to be paid for use of label, based on the quantity of label.
- 15.4.3 The Committee shall issue label after payment is made for use of label by the concerned member.

16. Fund

- 16.1 A separate account shall be opened in the name of the Working Committee, to maintain transparency of the amount collected by issuing labels.
- 16.2 An account shall be opened in any bank or financial institution to deposit amounts collected pursuant to Sub-clause 16.1. The account opened in this manner shall be operated as provisioned in the charter and financial regulation of the Association and in this Regulation.
- 16.3 The following amounts shall be deposited in the account opened pursuant to Sub-clause 16.1.
- 16.3.1 Amount received for the issuance of label
- 16.3.2 Amount received as punishment and fine in the course of use of label.
- 16.3.3 Grant or aid received from any person, national or international organisation or any other entity for the effective operation of the collective trademark.
- 16.4 The amount collected for use of label shall be spent for the effective operation of the collective trademark pursuant to the approval in the plan of action.

Chapter - 13

Labour and Social Relations

17 Labour and Social Standards to be Followed

- 17.1 Members shall comply with the provisions of Labour Act, 2048 and the Regulation made thereunder as well as any amendments thereto.
- 17.2 Provision shall be made for conducting regular interaction with herb collectors and farmers producing herbs.
- 17.3 Member entrepreneurs shall maintain good relations with the community of collectors and farmers affiliated with their industry or business, and interact with them from time to time.
- 17.4 If any solvable problem or complaint of the affiliated community of collectors or farmers emerges in the course of interaction pursuant to Sub-clause 17.2 and Sub-clause 17.3, then prompt addressal and effort shall be made to resolve them.
- 17.5 The Committee shall, itself or through an expert inspector of the related subject, regularly monitor whether the concerned herbal entrepreneurs

or exporters have acted and made provisions pursuant to this Regulation, and if it is found during the course of such monitoring that any member has not complied with the standards, then it shall be deemed that such member has violated the Regulation and Code of Conduct.

Chapter - 14

Environmental Balance

18 Environmental Balance to be Maintained

- 18.1 Industries shall make provisions to maintain the environmental balance.
- 18.2 The Management Committee shall, itself or through a relevant expert inspector, regularly monitor whether the environmental balance has been maintained.
- 18.3 If it is found when monitoring pursuant to Sub-clause 18.2 that the environmental balance has not been maintained, then advice and recommendation shall be given to concerned entrepreneurs to reform the same or to maintain the prescribed environmental balance. It shall be the duty of concerned collectors, farmers, entrepreneurs or exporters to comply with the advice and recommendation provided by the Management Committee pursuant to this Rule.
- 18.4 Members who do not comply with the advice and recommendation provided by the Management Committee pursuant to Sub-clause 18.3, shall be deemed to have violated the Regulation and Code of Conduct.

Chapter - 15

Transparency in Business

19 Transparency in Business

- 19.1 Members shall maintain transparency in the business they operate.
- 19.2 Transparency means clear account of works, proceedings, provisions, activities, production, export, expenses, loan, and so on.

- 19.3 The standards relating to transparency shall be as determined by the Committee from time to time, and the standards determined in such manner shall be an integral part of this Regulation.
- 19.4 The Committee shall, itself or by an expert inspector of the related subject, monitor as per necessity whether entrepreneurs have maintained the prescribed standards concerning transparency in business, and if it is found that transparency in business pursuant to this Regulation has not been maintained, then it shall be deemed to be violation of this Regulation and Code of Conduct.

Chapter - 16

Miscellaneous

20. Secretariat of Management Committee

The Committee shall establish a separate Secretariat for the management of the collective trademark. Until another provision is made, the Chief Secretariat shall be situated at the office of Nepal Herbs and Herbal Products Association in Kathmandu. In addition, the head offices of affiliated organisations may operate and provide services as local secretariats.

21. Functions, Duties and Powers of Employees of the Secretariat

- 21.1 It shall be the duty of the Secretariat to act pursuant to the directions and orders of the Collective Trademark Management Committee.
- 21.2 The Collective Trademark Management Committee shall appoint employees as per necessity and determine their responsibilities.
- 21.3 The terms of service and facilities of employees working at the Secretariat shall be as determined by the Working Committee on the recommendation of the Sub-committee.

22. Amendment of Regulation

If it becomes necessary to make any amendment or revision to this Regulation or Code of Conduct, the Working Committee may make necessary amendments on the recommendation of the Management Committee.

23. Interpretation

The interpretation of this Regulation shall be as made by the Working Committee.

24. Save and Repeal

Matters mentioned in this Regulation shall be pursuant to this Regulation, and other matters shall be pursuant to the charter of the Association and prevailing laws. Any provision of this Regulation and Code of Conduct that contradicts with the charter of the Association and prevailing laws shall become automatically void to the extent of such contradiction.

25. Power to Remove Difficulties

25.1 The Working Committee shall, on the recommendation of the Management Committee, make provisions and take actions as per necessity if any difficulty arises during the implementation of this Regulation.

26. Code of Conduct

Code of Conduct

Code of Conduct to be Obeyed by Members Using the Collective Trademark

1. Take possible initiatives on one's part for the image and reputation of the collective trademark, and cause the same to be taken.
2. Maintain quality in the collection, farming and products of herbs as prescribed by the Working Committee, and cause the same to be maintained.
3. Produce goods pursuant to the classification determined by the Working Committee, and cause the same to be produced.
4. Discourage beyond prescription acts of sale, distribution and export of products, and cause the same to be discouraged.
5. Use the collective trademark label provided by the Working Committee in correct and systematic manner, and not misuse the same or use it in irregular manner.

6. Affix label only on prescribed and certified products and discourage the practice of affixing label on products below the prescribed quality level, and cause the same to be done.
7. Provide all possible support on one's part for the effective implementation of the Regulation made by the Working Committee for the management of the collective trademark, and cause the same to be provided.
8. Be liable for all loss resulting from non-compliance with the provisions relating to the use of label and from using the label on low-quality products.

Schedule -01

Basis and Standards to Measure Quality of Products

The basis and standards to measure the quality of herbs and herbal products shall be as determined by the Working Committee from time to time.

Schedule -02

Classification of Cardamom

With regard to produced goods, the Working Committee shall classify products from time to time.

Schedule -03

Internal Management

Internal management to be adopted by the concerned entrepreneurs:

1. Premises, workplace and staff quarters of the business shall be kept hygienic, clean and suitable.
2. Child labour shall be completely prohibited in the collection, farming and business of herbs.
3. The terms of service and facilities of employees and workers who work in the industry and business shall be as provisioned in the prevailing laws of Government of Nepal and the Regulation.
4. When exporting products, provisions shall be made for packing, handling and so forth in such manner that the quality of products is not lowered.
5. Inform everybody to maintain the high quality of herbs from the collector to seller level.
6. There shall be complete compliance with the Labour Act, Regulation and prevailing Acts, Regulations and laws.

Schedule -04

Sample Picture of Collective Trademark

Sample picture of the collective trademark

Schedule -05

Sample Method to Affix Collective Trademark Label

Schedule -06

**Application for Oath of Obedience to
Collective Trademark Regulation and Code of Conduct**

Date:

The Coordinator,
Collective Trademark Monitoring and Evaluation Committee,
Kathmandu, Nepal

Subject: Oath of Obedience to the Collective Trademark Regulation and Code of Conduct

This informs that it pledges to strictly obey the provisions of the Regulation and Code of Conduct of the Collective Trademark made by the Working Committee in order to maintain the quality of Nepali herbs through the use of the Collective Trademark Label and hence to maintain its prestige and credibility in the global market, and also pledges to accept any punishment imposed pursuant to the Regulation and Code of Conduct for any violation of the same; therefore, this requests for the proper use of the Collective Trademark Label.

Yours truly,

Name :
Designation :
Signature :
Company's Stamp :

(Note: The concerned member shall write an application in this format on the letter pad of the industry/ business/company, and submit it to the Working Committee.)

Schedule -07

Summary Description of Business/Industry for Purposes of Collective Trademark Regulation and Code of Conduct

1. Company's Description

- 1.1 Name of the company :
- 1.2 Address :
- 1.3 Head office :
- 1.4 Telephone number :
- 1.5 E-mail :
- 1.6 Name of contact person :
- 1.7 Designation :
- 1.8 Date of Association membership : Membership No:
- 1.9 Proprietorship/Pvt. Ltd. : Name/s of partner/s.

-
- 1.10 Authority registered with :
- 1.11 Date of Establishment :
- 1.12 PAN/VAT number :

2. Efforts made to Maintain Quality

- 2.1 Quality Control employee are present/absent : -----
- 2.2 Number of Quality Control (QC) employee : -----

3. Condition of Business/ Store /Packing areas

- 3.1 Provisions for sanitation and cleanliness are present/ absent : -----
- 3.2 Provisions for terms of service and facilities for farmers, workers, labourers and employees are present/absent : -----
- 3.3 Industry, business, factory is insured/ not insured : -----

4. Provisions for Recordkeeping

- 4.1 Record of purchased herbs, etc. is maintained /not maintained: -----
- 4.2 Record of production and collection of herbs is maintained /not maintained: ---
- 4.3 Record in accordance with Batch and Lot is maintained/not maintained: -----
- 4.4 Regular audit is performed/not performed: -----
- 4.5 Quantity and country of export: -----

5. Miscellaneous information

- 5.1 Herbs from farmer's production is inspected/not inspected: -----
- 5.2 The collection of herbs is credible/not credible: -----
- 5.3 If necessary, the examination report of herbs quality tests can be made available /cannot be made available :-----

Applicant's :

Name :

Designation :

Signature :

Date :

Company's stamp :

Schedule- 08

Agreement on Use of the Collective Trademark Label provided by the First Party concluded between, representative of the Collective Trademark Management Committee (hereinafter referred to as First Party) and, registered with the Department of Cottage and Small Industries/ Department of Commerce/ Office of the Company Registrar, having Registration No. and located at (hereinafter referred to as Second Party)

Objectives:

To affix on herbal products the Collective Trademark Label provided by the First Party, in order to reassure about the quality of herbs produced/collected by members of the First Party.

Terms and conditions

1. The Second Party shall strictly obey the "Regulation and Code of Conduct of Nepali Herbs and Herbal Products' Collective Trademark Using, 2074" prepared by the First party with regard to use of the Collective Trademark Label.
2. The Second Party shall not commit any act in violation of the "Regulation and Code of Conduct of Nepali Herbs and Herbal Products' Collective Trademark Using, 2074". In the event of any violation of the Regulation and Code of Conduct, the Second Party shall accept any legal action taken pursuant to provisions of the same Regulation and Code of Conduct and the prevailing laws of Nepal.
3. If the Second Party commits any act in violation of the Regulation and Code of Conduct and if the goodwill of the Collective Trademark is adversely affected due to the commission of any act, then the Second Party shall be prepared to accept complete responsibility for the same.
4. If the First Party or a domestic or foreign purchaser, user or any organisation conducts at any time the quality testing of a product having the Collective Trademark Label affixed on it and if such products do not possess the quality prescribed by the First Party, then the Second Party itself shall be completely liable for the same. The Second Party shall be prepared to provide any compensation, if required.

5. We, the undersigned Parties, have concluded this Agreement with mutual consent in amicable environment, and hereby consent to comply with and cause compliance to this Agreement.

Signatory on behalf of First party

Signature :

Name :

Designation :

Date:

Witness

Signature :

Name :

Address :

Signatory on behalf of Second party

Signature :

Name :

Designation :

Date:

Witness

Signature :

Name :

Address :

Schedule- 09

Format of Application to Provide Collective Trademark Label

Date:

The Coordinator,
Collective Trademark Management Committee,
Kathmandu, Nepal.

Subject : Request to Provide the Collective Trademark Label of Herbs

This requests for use of(in numbers)(in words) units of the Nepali Herbs and Herbal Products' Collective Trademark Label provided by the Committee. Please find attached hereto the description of products pursuant to Schedule- 11 of the "Regulation and Code of Conduct of Nepali Herbs and Herbal Products" along with the sample of such products.

Thank you for your co-operation.

Signature :

Name :

Designation :

Stamp of Business/Industry/Company :

(Note: The concerned member shall write an application in this format on the letter pad of the industry/ business/company, and submit it to the Committee.)

Schedule- 10

Description of Issuance of Collective Trademark Label

Date:

Industry / Business:

Address:

Has been granted the following label to use the Collective Trademark Label on only those products having the following description from Test Result Date and Result Number..... of the aforementioned organisation, subsequent to quality tests conducted on Sample Number received on (date).

S. No.	Description of Quality Test of Sample								Description of Product Using Label			For Export		Description of Issued Label			Hologram Description		Remarks
	Name	Size	No.	Country	No.	® No.	TM No.	Total units	No.	Total units									

Label received by

Signature :
 Name :
 Designation :
 Organisation's Stamp :

Label issued by

Signature :
 Name :
 Designation :
 Committee's Stamp :

Schedule – 11

Description of Goods Using Collective Trademark-Label

Date:

S. No.	Description of Product						Export		
	Name	Number	Weight	Size			Country	Number	Amount Rs.

Applicant

Signature :
 Name :
 Name of Industry/Business :
 Address :
 Organisation's Stamp :

Schedule – 12

Description of Sample Goods Received for Use of Collective Trademark Label

Date:

Industry / Business:

Address:

Sample products having the following description have been made available for quality tests with the objective of using the Collective Trademark provided by the Working Committee.

S. No.	Sample Number	Name of Sample	Total Units	Remarks

Label received by -

Signature :

Name :

Designation :

Organisation's Stamp :

Label issued by -

Signature :

Name :

Designation :

Committee's Stamp :

Record Book of Label and Hologram of Collective Trademark

Date	Issue to	Sample		Quality Test Description			Label Using				Label Issue		Hologram No.		
		Name	Code	Weight	Size	Diameter	Product	Size	Nos.	Country	No of ®	No. of TM	Total	Nos.	Total Pieces

Reference Book of Lab Test

Ref.No.	Date	Quantity sent for test		Sample sent for lab test			Request for test							Remarks	
				Code No.	Owner	Sample's Name									

Sample of Letter Requesting for Lab Test of Quality

Date:

The Director General,
Department of Plant Resources,
Thapathali, Kathmandu.

Subject: Request for Test of Quality of Attached Sample

The quality of the attached samples are required to be tested for details mentioned hereunder for purposes of the collective trademark label provided by this Committee; therefore, I request you to conduct the tests and provide the results thereof at the earliest.

Details:

S. No.	Name and Code No. of Sample	Details to be Examined	Quantity	Remarks
01				
02				

Thank you for your co-operation.

Coordinator,

Collective Trademark Management Committee

Schedule- 18
Ledger of Collective Trademark Hologram's User

Name of organisation : Address of organisation : Type of organisation : Phone : Fax : Email/website : Contact person : Mobile no. :		Association membership No. : Date of membership enrolment : Authority where business is registered : Registration date : Registration number : Permanent Account Number. :
--	--	---

Sample description received			Description of sample testing				Description of goods using label			For Export		Type of label issued	Description of hologram				Used		Remaining		Remarks	
D a t e	C o d e N o.	N o.	Dis- patch Date	Organi- sation	Result Receipt Date	Detail of Result	Na- me	Si ze	Quan- tity	Cou- ntry	Quan- tity	TM/ Quantity	Date of Issue	Initial Stock		Curren- tly Issued						
																						Quan- tity

Schedule- 19
Record Book of Collective Trademark-Hologram

Hologram No.	Issued on					Quality Test			Used On			For Export		Type of Label Issued ®/TM	Remarks
	Date	No. From To Total units	Quantity	Sample Code No.	Sample No.	Date	Orgni-sation	Result	Name	Size	Quan-tity	Coun-try	Quan-tity		