



**COMMITTEE FOR INTERNATIONAL COOPERATION
BETWEEN COTTON ASSOCIATIONS**

**CICCA REGULATIONS
(As of 21 October 2016)**

Introduction

CICCA was established in 1975 following discussions in San Francisco and Madrid on how best to strengthen the cotton trade, through the promotion of the Sanctity of Contracts and increased dialogue and discussion between cotton organisations. The Committee first met in plenary in Memphis on 1st May 1976 with representatives from Association Française Cotonnière, American Cotton Shippers Association, Bremer Baumwollbörse, Japan Cotton Traders' Association and Liverpool Cotton Association. It was agreed that the ICA would provide administrative and secretarial support for the committee. CICCA has continued to meet in Plenary each year, acting in an advisory role on issues relevant to the cotton industry. By 1999 its membership had increased to 12 countries.

Changes within the cotton industry led to a significant shift in direction for CICCA and in 1999 the Committee decided to adopt a more proactive approach towards its work and to set in hand measures to increase its membership. It was also decided to open up its membership to all cotton organisations or associations within the cotton industry, including those representing spinners and mills. A Consultative Group was established tasked to meet in the margins of international cotton conventions in order to take work forward in a more expeditious manner, bringing issues to the Plenary each year. CICCA has now increased its membership to 16.

Today the Sanctity of Contracts remains the primary occupation of CICCA through the promotion of good trading practices. The Committee plays a pivotal role in advising and promoting this, taking the opportunity whenever it arises to stress the importance to the international cotton trade, of government support and when necessary, action, to underpin this principle through the enforcement of foreign arbitral awards. In this respect, CICCA is concerned to ensure that the New York Convention of 1958 is adhered to by all its signatories. CICCA believes that what is needed to help reduce the level of defaulters is a partnership between Governments and the cotton industry in order to create an environment that enables International Trade to take place in an equitable and even handed manner. These revised regulations attempt to reflect a more proactive approach towards the promotion of good trading practices within the international cotton community.

Mission Statement

CICCA's mission is to provide a more representative and influential organisation through which members are able to unite behind the principle of the sanctity of contracts and good trading practise. In so doing the Committee seeks to further develop its infrastructure to assist the Industry to prosper in an increasingly competitive and technological environment.

Objectives

The Committees principle objectives are to:

- support the enlargement of CICCA by encouraging into membership cotton organisations, whether they are arbitration authorities or not, including Spinning Mill

- Associations, providing such organisations adhere to the Committee's principles;
- uphold the standards of good trading practices and the ethic of the sanctity of contracts;
 - help ensure that dispute resolution procedures are adhered to and any consequential award upheld;
 - maintain contact with other international organisations concerned or associated with the cotton industry, as and when may be considered appropriate;
 - provide an opportunity for discussion between Member-Organisations in order to assist the cotton trade to prosper;
 - ensure that no Member of a CICC Association trades with any individual or company who has failed to abide by the awards issued by the Arbitral Body of Member-Organisations;
 - circulate to Member-Organisations a consolidated list of firms reported to have failed to properly comply with valid arbitration awards made by Member-Organisations;
 - provide a directory of firms trading in cotton, which are members of cotton Associations elected as Member-Organisations of CICC Association;
 - promote the value and benefits of membership of CICC Association within the Industry and with Governments.

Formation and Structure

The Committee for International Cooperation between Cotton Associations (CICC Association) comprises Cotton Organisations who enjoy equal status and who are willing to accept responsibility for complying with CICC Association Regulations as may from time to time be approved by Member-Organisations. Member-Organisations have as a pre-condition, indicated their preparedness to support the existing procedures and methods for the buying and selling of raw cotton across the international market.

The purpose of CICC Association is to represent the interests of its members whose combined membership comprises buyers and sellers of raw cotton, embracing producers, shippers, exporters, importers, consumers, mills and their Associations. At present CICC Association represents more than 1600 individual companies worldwide.

Members have agreed that no duty or service shall be performed by CICC Association with the primary object of making a profit.

Eligibility for Membership

Membership is open to organisations or associations representing members engaged in the purchase and sale of cotton provided that its members are required under their Bylaws to comply with valid arbitration awards or to accept the responsibility to encourage its members to acknowledge the principle of sanctity of contracts and to adhere to the process of arbitration. Applicants for Membership must be from within the cotton industry, and established as a cotton organisation or association representing arbitration authorities, textile and spinning mills, non-traders and those engaged in the purchase and sale of

cotton. While Government organisations would necessarily be excluded from directly applying for membership, Government sponsored organisations would be welcomed.

The Regulations, Articles, By-laws and or Rules of applicants for membership must not include any provision for the arbitrary annulment or alteration of them by any official authority;

The applicant shall accept responsibility as a Member-Organisation for policing its own members in compliance with CICCAs Regulations and shall be willing to support the existing principles of international cotton marketing;

Applications shall be subject to approval by all CICCAs Member-Organisations.

Election and Representation

A Chairman shall be elected by Member-Organisations, who will normally serve for a term of 2 years commencing the day following election. A Chairman may be elected to serve for a second term of office but no person shall be eligible to continuously serve as Chairman for more than two successive terms of office.

A Vice-Chairman shall be elected by Member-Organisations, who will normally serve for a term of 2 years commencing the day following election. A Vice-Chairman may be elected to serve for a second term of office but no person shall be eligible to continuously serve as Vice-Chairman for more than two successive terms of office. The post of Vice-Chairman however, does not involve automatic promotion to Chairman.

When required, election of the CICCAs Chairman and Vice Chairman should be conducted and completed before the plenary meeting.

If there is an equal number of votes between two or more candidates, a further round of voting will take place, until a candidate is elected by majority vote.

Each Member Association shall have one vote.

Each Member-Organisation is entitled to nominate up to two representatives to attend and participate in meetings of the Committee and up to two additional representatives may attend meetings as observers. To ensure impartiality the elected Chairman of CICCAs is not eligible during the period of office to represent any Member-Organisation.

Proceedings at Meetings

CICCAs meets in Plenary each year immediately prior to the ICA Annual Dinner in Liverpool. Observers from other associations or organisations may, subject to the approval of the Committee, be invited to attend Plenary and Consultative Group meetings. Voting and the

Agenda is restricted to Member Associations but organisations with observer status are invited to present statements on any matter that they judge will be of interest to the Committee.

The CICCAs Consultative Group meets in the margins of international cotton conferences where they discuss and continue the work and promote CICCAs objectives, between plenary sessions. Whenever the CICCAs Chairman is present at these meetings he will take the chair, otherwise the Vice Chairman, if available, will automatically assume the office of Chairman. In the absence of the Chairman and the Vice Chairman the Secretary should chair the meeting seeking the nomination of the Group.

Expenses incurred travelling to and from CICCAs Plenary and Consultative Group meetings will be reimbursed for the Chairman/Vice Chairman or Secretary of the Committee, but only for one at a time. Such expenditure should be agreed in advance.

Whenever CICCAs decides to lead a delegation to a member country then the country's representatives will be consulted, and where possible, included in the delegation.

A report of the proceedings of each meeting shall be circulated to the Member-Organisations. Written "Statements" may be included in the proceedings. At the discretion of the Committee other statements concerning the Sanctity of Contracts may be issued to Government officials, representing a country's cotton interests.

Decision Making

The Committee should in the first instance strive to achieve consensus on any statement or resolution proposed. Where this is not possible then the Chairman should attempt to achieve a 75% majority of those present in order to pass any statement or resolution. Voting rights at CICCAs meetings permit only one delegate from each Member-Organisation to vote. When the 75% majority rule is followed, the minority of those present should have the right to submit and circulate their contrary opinions.

List of Unfulfilled Awards

If an arbitration award is not fulfilled, then the party having an award in its favour should inform the Association concerned. Measures will then be taken to circulate the name of the other party as a defaulter to the membership of that Association. The name of the defaulting party will also be included in the CICCAs List of Unfulfilled Awards. CICCAs Members agree that the term "List of Unfulfilled Awards" may also be referred to in shorthand as "The Default List". The term "Default" or "Defaulter" is shorthand for a company or individual who has failed to fulfil an award legally made against him or it. CICCAs shall also maintain and publish a separate list of companies or individuals who have refused to participate in arbitration.

Should the Association be precluded by local law from circulating such name, the party having an award in its favour is authorised to notify CICCAs the name of the defaulter.

Upon confirmation by the Secretary from the issuing authority that such award is valid, the party's name should be published in the CICCAs default list.

Monitoring the List of Unfulfilled Awards

So far as is legally possible a CICCAs Member Organisation will discipline any member firm that fails to comply with a proper arbitration award made by it or by any other CICCAs Member. CICCAs Members are required to adopt procedures that will ensure that representatives of defaulting companies are not invited to, or included in any conferences or other events on the international cotton calendar that are sponsored by CICCAs or Member Associations of CICCAs. Further, Member Associations are required to undertake measures to ensure that local arbitration testing and training facilities are denied to all representatives of defaulting companies. All sanctions and restrictions applied by the CICCAs, following from the non-fulfilment of valid arbitration awards, shall also pertain to those avoiding participation in the arbitration proceedings.

CICCAs Member Associations may seek advice and assistance from other Member Associations, particularly in the country where a dispute has arisen. They may seek help and assistance from other CICCAs Members as appropriate over alternative dispute resolution procedures. In doing so, CICCAs may wish to consider the use of mediation and/or conciliation procedures.

The CICCAs Directory

Every three years CICCAs publishes a list of firms that are affiliated to its Member-Organisations. In January of the appropriate year Member-Organisations are requested to supply details of affiliated firms to the Secretariat. By trading with firms that are listed in the directory merchants can be sure that they are dealing with a recognised company registered with a leading international association, whose name is not included in any of the international default lists for failing to abide by a legally recognised arbitration award.

Website

Member Organisations may be linked to the CICCAs website, www.cicca.info which is administered by the ICA Secretariat. The CICCAs website contains details concerning the formation and structure of CICCAs, Membership, Contracts and the List of Unfulfilled Awards, Trading rules and Arbitration, the CICCAs Directory and details on how organisations can become members.

Annual Subscriptions

Each Member-Organisation shall, until further notice, pay an Entrance Fee of £1,000 and an annual subscription fee as agreed by Member-Organisations.

Accounts

The ICA shall be reimbursed for the cost of providing administrative and secretarial support for the Committee. The level of reimbursement shall be reviewed as and when it is judged appropriate.

A Statement of Income and Expenditure and a Balance Sheet shall be prepared annually, certified by Auditors and signed by the Chairman and the Secretary (or any substitute approved by Member-Organisations) for presentation to Member-Organisations.