

# COLOMBO TEA TRADERS' ASSOCIATION

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CIRCULAR No. 03 of 2024

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## Settlement of Quality Claims - Procedural Steps

We refer to CTTA Circular No 05 of 2023 dated February 10, 2023, on the settlement of quality claims.

The procedural steps outlined below aim to clarify any uncertainties in the process.

Reference By-Law 36(a),

All objections/complaints, relating to quality, description, or packaging of teas, shall be communicated in writing by the Buyer and/or Co-Buyer to the Seller or Selling Broker so as to be received by the Seller or the Selling Broker, as the case may be, **within fifty-one calendar days from the date of auction or sale** of the tea concerned.

Reference By-Law 36(c),

Immediately on receipt of the objection/complaint, the Seller, or the Buyer and/or Co-Buyer may seek the intervention of the Selling Broker to facilitate a settlement of the difference or dispute. In the event such a prompt settlement cannot be reached:

- I. The Selling Broker shall advise the Seller, in writing, **within 2 working days** of receiving the report of the objection/complaint.
- II. The Seller shall confirm acceptance, or otherwise, of the claim, in writing, **within 7 calendar days** of receiving the advice of the Selling Broker of the objection / complaint.

Once a claim is made, reference By-Law 36(c),

- III. The Buyer and/or Co-Buyer shall submit to the Selling Broker a **formal claim, on confirmation of its validity by the Seller, within 7 calendar days**, thereafter.
- IV. The formal claim made by the Buyer and/or Co-Buyer may be settled by the Seller or the Seller's Broker in any one of the following ways, **within 14 calendar days of the receipt of such claim**:

As per III and IV above, a period of 21 calendar days [7+14] is available to make a formal claim to a seller settlement.

From the 22<sup>nd</sup> day onwards, interest will be charged up to the Seller's settlement. The interest rate will be based on the Central Bank of Sri Lanka (CBSL) published rate (%) for the week plus 1%.

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The Colombo Tea Traders' Association