WHEREAS, it has become necessary to improve the existing backward, inefficient and cost ineffective market structure of raw hide and skin which creates negative impact on the competitiveness of the leather industry;

WHEREAS, it has become necessary to establish raw hide and skin market structure that could avoid the existing raw hide and skin wastages and quality defects;

WHEREAS, it has become necessary to put in place an improved system of raw hide and skin collection, processing, storage and transportation to conduct the marketing of raw hides and skins on the basis of quality standards;

WHEREAS, it has become necessary to fill the gaps identified in the existing Raw Hides and Skins Marketing System Proclamation to modernize the market structure;

NOW, THEREFORE, in accordance with Article 55(1) of the Constitution of the Federal Democratic Republic of Ethiopia, it is hereby proclaimed as follows:

PART ONE

GENERAL

1. Short Title

This Proclamation may be cited as the “Raw Hides and Skins Marketing Proclamation No. 814/2013”.

Négarit Gazeta P.O.Box 80,001

9.00

Unit price

PROCLAMATION No. 814/2013

A PROCLAMATION TO PROVIDE FOR RAW HIDES AND SKINS MARKETING

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GENERAL

1. Short Title

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Négarit Gazeta P.O.Box 80,001

9.00
2. Definitions

In this Proclamation unless the context otherwise requires:

1/ "raw hide" means fresh, air-dried or salt treated hide obtained from ox, cow, steer, heifer, camel or such other animal;

2/ "raw skin" means a fresh, air-dried or salt treated skin obtained from sheep, goat, calf, crocodile, rabbit, ostrich, fish or other similar animals;

3/ "fresh hide or skin" means a fresh hide or skin not treated with salt or dried by air and supplied to hide and skin market center in not more than six hours after the animal slaughtered;

4/ "salt" means a salt designated as chemical salt by the Ethiopian Standards Agency for the treatment of raw hide and skin;

5/ "raw hide and skin marketing" means the process of collecting, processing, transporting, storing, selling and buying of raw hide and skin;

6/ "first level marketing" means a marketing process in which the marketing of raw hides and skins is conducted in accordance with this Proclamation at market centers designated by the appropriate organ;

7/ "second level marketing" means a marketing process in which the marketing of raw hides and skins is performed in accordance with this Proclamation by a contract entered in to between, suppliers, export abattoir and big abattoir as seller, and tanneries as buyer;

8/ "market actor" includes producers, suppliers, traditional hides and skins processors and tanneries participating in hides and skins marketing;

9/ "producer" means small or big abattoir, export abattoir or person slaughtering animals for household consumption or engages in providing slaughtering service and supplies raw hides and skins to market;
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10/ “small or big abattoir” means an abattoir designated as small or big by the appropriate organ;

11/ “export abattoir” means an enterprise engaged in slaughtering of live animals and processing of meat and meat products for export market;

12/ “supplier” means a person who buys raw hides and skins from first level raw hides and skins market center and supplies them to tanneries;

13/ “tannery” means a factory curing and tanning raw hides and skins to finished leather;

14/ “traditional tanner” means any person who processes raw hide and skin in traditional manner and produces traditional leather goods;

15/ “means of transportation” means a vehicle used for transportation of raw hides and skins and includes pack animal;

16/ “transporting permit” means a permit issued by the appropriate organ to transport raw hides and skins from an abattoir or first level market center to a storage and processing warehouse or to a tannery;

17/ “misleading act” means any act misleading or deceiving market actors or government body in the marketing process of raw hides and skins;

18/ “certificate of competence” means a certificate issued by the relevant sectoral government institution to a person who fulfills the requirements to engage in the business of marketing of raw hides and skins stipulated pursuant to the relevant provisions of the Commercial Registration and Business Licensing Proclamation No. 686/2010;

19/ “Ministry” means the Ministry of Trade;

20/ “appropriate organ” means, as the case may be, the Ministry or a regional organ authorized to issue business license;
1/ "sectoral government institution" includes the federal and regional executive bodies that have direct or indirect relationship in implementing and supporting raw hide and skin marketing system;

2/ "region" means any state referred to under Article 47(1) of the Constitution of the Federal Democratic Republic of Ethiopia, and includes the Addis Ababa and Dire Dawa city administrations;

3/ "person" means any natural or juridical person;

4/ any expression in the masculine gender includes the feminine.

3. Scope of Application

This Proclamation shall be applicable to any person directly or indirectly involving in raw hides and skins marketing within the country.

PART TWO

RAW HIDES AND SKINS MARKET STRUCTURE

4. Raw Hide and Skin Marketing

The marketing of raw hides and skins shall be carried out at first or second level marketing in accordance with Article 5 or Article 6 of this Proclamation.

5. First Level Marketing of Raw Hides and Skins

1/ The organization and administration of market centers where first level marketing of raw hides and skins to be conducted shall be determined by directive to be issued by the Ministry.

2/ The first level marketing of raw hides and skins at market centers shall be conducted between:

a) individual producers and suppliers;

b) individual producers and traditional tanners; or

c) small abattoirs and suppliers.
The marketing of raw hides and skins at the first level marketing may be conducted by dealings or auction.

Raw hides and skins to be supplied for first level marketing shall only be fresh or air-dried.

Purchasing of raw hides and skins by a supplier shall be conducted only by himself or his agent.

Raw hides and skins bought by a supplier shall be transferred to the processing and storage warehouse of the supplier or the traditional tanner accompanied with transporting permit.

The price of raw hides and skins shall be determined by their quality.

Any person, other than producer, participating in first level marketing of raw hides and skins shall have a valid business license to engage in the business of raw hides and skins.

6. Second Level Marketing of Raw Hides and Skins

The second level marketing of raw hides and skins shall be conducted between:

a) suppliers and tanneries;

b) big abattoirs and tanneries; or

c) export abattoirs and tanneries.

The marketing of raw hides and skins at the second level marketing may be conducted by dealings or auction.

Raw hides and skins to be supplied for second level marketing may be fresh, air-dried or salt treated.

The sale contract in the second level marketing shall be in written form and contain the particulars specified by the directive to be issued by the Ministry.
5/ Delivery of marketed raw hides and skins at the second level marketing shall be effected at suppliers processing and storage warehouse or at big abattoir or export abattoir or tanneries.

6/ The price of raw hides and skins shall be determined by their quality.

7. Raw Hides and Skins Quality Control

1/ The quality standards of raw hides and skins shall be prepared by the Ethiopian Standards Agency.

2/ Verification and control of quality standards of raw hides and skins shall be conducted starting from first level marketing and its particulars shall be determined by directive to be issued by the Ministry.

3/ The appropriate organ shall control the quality standards of raw hides and skins when they are supplied for marketing.

4/ Before the transportation of raw hides and skins from a supplier's processing and storage warehouse to a tannery, and from big abattoir and export abattoir to tannery, their quality standards shall be checked and they shall be sealed by the appropriate organ and be issued with transporting permit.

PART THREE
OBLIGATIONS OF RAW HIDES AND SKINS MARKET ACTORS

8. Obligations of Producers

Any producer of raw hides and skins shall have the obligations to:

1/ maintain quality in producing raw hides and skins;

2/ make on time supply of the raw hides and skins he has produced to market centers or to the tannery with which he has entered contractual agreements, in accordance with Article 5 or Article 6 of this Proclamation; and

3/ respect the provisions of this Proclamation and regulations and directives issued hereunder.
9. Obligations of Suppliers

Any supplier of raw hides and skins shall have the obligations:

1/ to have his own or rented raw hides and skins processing and storage warehouse satisfying the requirements and obtain certificate of competence and business license;

2/ to buy raw hides and skins only from first level marketing;

3/ not to store raw hides and skins beyond the permitted period of time;

4/ not to store processed raw hides and skins above the quantity prescribed in the regulation to be issued hereunder;

5/ to have transporting permit to transport raw hides and skins from a raw hides and skins market center to the processing and storage warehouse or from the processing and storage warehouse to a tannery;

6/ to record the daily purchase and sales volume of raw hides and skins in quantity, grade and value and give such information to the appropriate organ when requested;

7/ to allow the appropriate organ, when requested, to visit his raw hides and skins processing and storage warehouse;

8/ to supply quality raw hides and skins to tanneries in accordance with the sale contracts he has concluded;

9/ to refrain from any activity which may ruin the country's raw hides and skins quality and market; and

10/ to respect the provisions of this Proclamation and regulations and directives issued hereunder.

10. Obligations of Transporters

Any transporter of raw hides and skins shall have the obligations to:

1/ possess a transporting permit issued by the appropriate organ while transporting raw hides and skins and show same when requested by an inspector assigned by the appropriate organ;
refrain from any activity which may ruin the country’s raw hides and skins quality and market; and

3/ respect the provisions of this Proclamation and regulations and directives issued hereunder.

11. Obligations of Tanneries

Any tannery shall have the obligations:

1/ to satisfy the required criteria and obtain certificate of competence and business license;

2/ to buy raw hides and skins only at second level marketing;

3/ to take delivery of raw hides and skins and settle payments in accordance with the sales contracts it has entered with suppliers and abattoirs;

4/ to record the daily purchase volume of raw hides and skins in quantity, grade and value and give such information to the appropriate organ when requested;

5/ to cooperate with the appropriate organ when requested to visit the handling and production process of raw hides and skins;

6/ not to maintain stocks of raw hides and skins out of production line beyond the time limit prescribed in directive to be issued by the Ministry;

7/ refrain from any activity which may ruin the country’s raw hides and skins quality and market; and

8/ respect the provisions of this Proclamation and regulations and directives issued hereunder.
Duty to Cooperate

12. Powers and Duties of the Appropriate Organ

Without prejudice to the powers and duties under other laws and other provisions of this Proclamation, the appropriate organ shall have the powers and duties to:

1/ designate market centers for first level marketing of raw hides and skins and ensure that they meet the required criteria;

2/ make follow ups to ensure that raw hides and skins supplied to market maintain quality standards;

3/ take appropriate administrative measure on any market actor who distorts raw hides and skins marketing process through misleading act;

4/ issue business license to persons who have obtained certificate of competence to engage in the business of marketing raw hides and skins;

5/ seize raw hides and skins being stored, transported or marketed illegally; sell them to suppliers or tanneries within 4 hours if they are fresh or within 24 hours if they are air-dried or treated with salt and deposit the proceeds in a blocked bank account; transfer to the government when decision of confiscation is given pursuant to Article 14 of this Proclamation;

6/ submit proposal to the government on the rate of commission to be paid to informers of illegal raw hides and skins marketing activities and implement same upon approval;

7/ charge fees for the services it renders in accordance with the rate approved by the government.

13. Duty to Cooperate

Every person shall have the obligation to cooperate with the Ministry and the appropriate organ in the implementation of this Proclamation, regulation and directive to be issued hereunder.
### Penalty

1. Any person who involves in first level marketing of raw hides or skins with a person not permitted to participate at first level marketing or outside of market centers shall be confiscated the raw hides or skins provided, however, that if it is conducted outside the production of household consumption, it shall, in addition, be punishable with simple imprisonment not exceeding one year and with fine not exceeding Birr 15,000.

2. Any supplier who deploys an agent in addition to himself or more than one agents in a marketing center for first level marketing of raw hides or skins shall be punishable with simple imprisonment not exceeding six months and with fine not exceeding Birr 5,000.

3. Any person who involves in second level marketing of raw hides or skins with a person not permitted to participate at second level marketing shall, in addition to the confiscation of the raw hides or skins, be punishable with simple imprisonment not exceeding three years and with fine not exceeding Birr 50,000.

4. Any person who engages either in first or second level marketing of raw hides or skins with the same category of market actor shall be punishable with simple imprisonment not exceeding two years and with fine not exceeding Birr 30,000.

5. Any person who commits misleading act in the process of marketing raw hides or skins shall be punishable with simple imprisonment not exceeding four years and with fine not exceeding Birr 60,000.

6. Any person, other than a producer supplying raw hides and skins to market in accordance with this Proclamation, transports raw hides or skins from place to place without having transporting...
permit shall, in addition to the confiscation of the raw hides or skins, be punishable with simple imprisonment not exceeding six months and with fine not exceeding Birr 5,000.

7/ Any transporter who transports illegally marketed raw hides or skins shall be punishable with simple imprisonment not exceeding two years and with fine not exceeding Birr 30,000.

8/ Any person who stores raw hides or skins above the permitted time or out of the permitted place without the authorization of the appropriate organ shall, in addition to the confiscation of the raw hides or skins, be punishable with simple imprisonment not exceeding two years and with fine not exceeding Birr 30,000.

9/ Any person who commits any other offence in violation of the provisions of this Proclamation or regulations or directives issued hereunder shall be punishable with simple imprisonment not exceeding six months and with fine not exceeding Birr 5,000.

10/ A legal person which participates in the commission of offence under this Article as provided in Article 34 of the Criminal Code shall be punishable in accordance with Article 90 of the Code.

15. **Repealed Laws**

The Raw Hide and Skin Marketing System Proclamation No. 457/2005 is hereby repealed.

16. **Power to Issue Regulation and Directive**

1/ The Council of Ministers may issue regulations necessary for the implementation of this Proclamation.

2/ The Ministry may issue directives necessary for the implementation of this Proclamation and regulations issued pursuant to sub-article (1) of this Article.
17. Effective Date

This Proclamation shall enter into force on the date of publication in the Federal Negarit Gazette.

Done at Addis Ababa, this 25th day of March, 2014.

MULATU TESHOME (DR.)

PRESIDENT OF THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA