



ASC-MSC Seaweed Fee Structure

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Introduction

Companies who have a seaweed certificate, an MSC/ASC Chain of Custody (CoC) certificate for ASC-MSC certified seaweed must sign an ASC-MSC Seaweed Partnership Agreement.

This agreement is the licence required to label certified seaweed products.

The total fee for use of the MSC and/or ASC logo (which are protected trade marks) is made up of two parts:

Partnership fee:

0.1% of the sales value of all products sold as certified with seaweed both labelled and unlabelled, inclusive of Consumer Facing (CF) and Business to Business (B2B) products.

Royalty fee:

0.5% of the sales value of all certified CF labelled products. Tiered fees apply above £10m sales, see the table below:

Labelled sales (GBP) of consumer facing products	Royalty rate
£ 0 GBP – 10,000,000 GBP	0.5%
£10,000,001 GBP – 20,000,000 GBP	0.45%
£20,000,001 GBP – 30,000,000 GBP	0.4%
£30,000,001 GBP – 40,000,000 GBP	0.35%
£40,000,001 GBP and greater	0.3%

Company categories and fees

Which fees apply to your organisation?



Company category	Total fee	
	Partnership fee	Royalty fee
Certified company only selling Business to Business (B2B)	No (if harvesting or farming is their main activity)	No
Certified company selling B2B and Consuming Facing (CF) products	No (if harvesting or farming is their main activity)	Yes
Company (except harvesters) only selling B2B	Yes	No
Company selling B2B and CF products or just CF products	Yes	Yes

How the two parts of the total fee work



Reconciling fees

The Partnership fee is the minimum amount payable in a year (or part year)

Royalty fees due may (or may not) exceed the Partnership Fee and a reconciliation of both fees will be made at the end of the calendar year

At the time of reconciliation, the following will apply:

- If no Royalty fees apply the Partnership fee will be the Total fee invoice
- If Royalty fees apply, but they are lower than the Partnership fee, then the value of the Total fee will equal the Partnership Fee (the total invoice will be split between the full Royalty fees and the difference in partnership fee)
- If Royalty fees apply, but they are higher than the Partnership fee, then the value of the Total fee will equal the Royalty fees (there will be no partnership fee to be invoiced)

What to expect

- The financial year is January to December (a calendar year).
- Invoices will be issued against turnover declarations except for the initial invoice.
- On signing the agreement, an Initial invoice for £1,000 will be issued.
- At the end of the calendar year, a reconciliation invoice will be issued following the submission of the turnover declarations for this period. This invoice will reconcile both any Royalty fees issued and Partnership fee for this period to ensure the Total Fee has been charged.
- No initial fee will be raised in subsequent years.



Fee caveat

Licence holders who place label/s on product to represent both seafood (fish/shellfish) will be charged the standard seaweed fee structure.

No MSC or ASC seafood fee will be charged i.e. no charge for the seafood use.

Royalties will only be charged by ASC-MSC for the seaweed use.



Turnover declarations



Turnover declarations will be submitted on a calendar basis, either quarterly, bi-annually or annually, as directed by ASC-MSC. Turnover declarations will capture Consumer Facing products and include sales, sold units and sold weight.

The client may choose their currency for declaring sales in the turnover declarations, but invoices will be sent in Sterling (GBP) for both Partnership and Royalty fees.

Declaration type	Frequency
<u>Total amount of sales and sold weight of total products sold as certified.</u>	Annually
Turnover Declaration form capturing CF per product line: sales, sold units and sold weight. Note: this second declaration is only required if CF products are being labelled. These products will need to be approved by ASC-MSC for trade mark use.	Depends on size of Consumer Facing sales: Quarterly – if CF sales are over £7million GBP Biannually – if CF sales are over £130K GBP and under £7 million GBP Annually – if CF sales are under £130K GBP

Example 1 - Quarterly reporter of Royalty fees that exceed Partnership fee

Financial period	Declaration type (sales)	Sales declared	Fee	Calculation	Invoice PF	Invoice RF
Sign up	Estimated annual of labelled and unlabelled products	£10 million	Initial fee £1,000	£1,000	£1,000	
1 st quarter	Labelled products	£1 million	Royalty fee £1m @ 0.5%	£5,000		£5,000
2 nd quarter	Labelled products	£1 million	Royalty fee £1m @ 0.5%	£5,000		£5,000
3 rd quarter	Labelled products	£2 million	Royalty fee £2m @ 0.5%	£10,000		£10,000
4 th quarter	Labelled products	£1 million	Royalty fee £1m @ 0.5%	£5,000		£5,000
Annual (calendar year)	Confirmed annual of labelled and unlabelled products	£10 million	Partnership fee £10m @ 0.1%	£10,000	-£1,000	

Total charged for year		
Partnership fee equals less than annual royalty so will not be charged	£0	£25,000

Reconciliation summary	
Total annual royalty fee	£25,000
NET partnership fee	£0
Total fee for year	£25,000

Example 2 - Quarterly reporter of Royalty fees that are less than Partnership fee

Financial period	Declaration type (sales)	Sales declared	Fee	Calculation	Invoice PF	Invoice RF
Sign up	Estimated annual of labelled and unlabelled products	£50 million	Initial fee £1,000	£1,000	£1,000	
1st quarter	Labelled products	£1 million	Royalty fee £1m @ 0.5%	£5,000		£5,000
2nd quarter	Labelled products	£1 million	Royalty fee £1m @ 0.5%	£5,000		£5,000
3rd quarter	Labelled products	£2 million	Royalty fee £2m @ 0.5%	£10,000		£10,000
4th quarter	Labelled products	£1 million	Royalty fee £1m @ 0.5%	£5,000		£5,000
Annual (calendar year)	Confirmed annual of labelled and unlabelled products	£50 million	Partnership fee £50m @ 0.1%	£50,000	£24,000	

Total charged for year						
Royalty fee is less than Partnership fee. Difference is the Partnership fee.						
					£25,000	£25,000

Reconciliation summary	
Total annual royalty fee	£25,000
NET partnership fee	£25,000
Total fee for year	£50,000

Example 3 - Quarterly reporter with no Royalty fees due. Only the Partnership fee is due.

Financial period	Declaration type (sales)	Sales declared	Fee	Calculation	Invoice PF	Invoice RF
Sign up	Estimated annual of labelled and unlabelled products	£20 million	Initial fee £1,000	£1,000	£1,000	
1st quarter	Labelled products	£0	N/A	£0		£0
2nd quarter	Labelled products	£0	N/A	£0		£0
3rd quarter	Labelled products	£0	N/A	£0		£0
4th quarter	Labelled products	£0	N/A	£0		£0
Annual (calendar year)	Confirmed annual of labelled and unlabelled products	£20 million	Partnership fee £20m @ 0.1%	£20,000	£19,000	

Total charged for year	Partnership fee equals less than annual royalty so will not be charged	£20,000	0
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Reconciliation summary	
Total annual royalty fee	£0
NET partnership fee	£20,000
Total fee for year	£20,000



For questions and further information, please email seaweed.label@msc.org

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