

**TIC Council**

Agricultural and Vegetable Oils Committee

# Code of Practice

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## Table of Contents

1. Introduction	4
2. Agricultural Commodities	4
3. Scope of Involvement	5
4. Health, Safety and the Environment	5
5. Inspection of Cargo Compartments	6
6. Quantity Inspections	7
7. Sampling	7
8. Quality Inspection and Analysis	8
9. Inspections of Markings and Packaging	9
10. Stock Inspection and Monitoring	9
11. Witnessing of Disinfection, Fumigation and Pest Control	10
12. Sealing of Cargo Compartments	10
13. Letters of Protest and Letters of Reserve	11
14. Reporting and Certificates	11

## 1. Introduction

The purpose of this Code of Practice is to set out the general standards of delivery of services by TIC Council member companies in the execution of their duties in relation to the inspection of Agricultural Commodities. It covers general duties of inspection together with more detailed requirements for inspection of Agricultural Commodities.

TIC Council member companies are also expected to follow any requirements or recommendations contained in the Agricultural Committee Bulletins published by TIC Council from time to time and available on the TIC Council website. Whenever this document refers to “this Code of Practice” this expression includes all current Bulletins unless the context requires otherwise.

Where any provision of this Code of Practice is in contradiction with any terms and conditions or contract terms which exist between TIC Council member companies and their principals, those terms shall take precedence over, replace or supersede this Code of Practice.

TIC Council has no responsibility or liability for acts or omissions of members or others making use of this Code of Practice.

## 2. Agricultural Commodities

This Code of Practice is applicable to inspections of agricultural commodities.

Such commodities may include for example, but are not confined to, the following categories:

- a) Cereals: defined as edible grains and their by-products, such as wheat, maize or corn, oats, rice, sorghum, barley, rye, flour, bran etc.
- b) Pulses: defined as edible seeds of leguminous plants and their by-products such as beans, lentils, chick-peas, etc.
- c) Oilseeds: defined as seeds producing oils, and their by-products, such as flaxseeds, linseeds, palm kernels, rapeseeds, soya beans, sunflower seeds, etc.
- d) Vegetable, marine and animal oils and fats, edible and technical: defined as oils and fats obtained from oil-bearing fruits and seeds of vegetables, including oil, palm oil, coconut oil, corn oil, groundnut oil, linseed oil, palm kernel oil, rapeseed oil, soyabean oil, sunflower seed oil, tung oil, etc., and from animal carcasses, including lard, tallow, etc., and from fish including herring oil, menhaden oil, etc.
- e) Sugar: defined as the sweet crystalline product of plant juices, particularly of sugar-cane or sugar-beet and by-products.
- f) Fruits: defined as edible products of plants and trees, and their by-products.
- g) Vegetables: defined as plants or roots cultivated for food and their by-products.
- h) Herbs: defined as plants whose stem does not become woody and are used for food or medicine.
- i) Spices: defined as aromatic substances of vegetable origin obtained from plants.
- j) Cocoa and by-products.
- k) Teas.
- l) Coffees.
- m) Wine.
- n) Wood.
- o) Rubber.
- p) Cotton.

### 3. Scope of Involvement

The TIC Council Member Company shall provide services at the time and place agreed with its Principal. When providing services, the Member Company shall perform services within the scope agreed with the Principal and subject to the Member Company's General Terms and Conditions of Business. The basis of the scope of services shall be the Principal(s) express instructions in writing received by the Member Company at the appropriate time. The Member Company may also take some additional actions if such are necessary in the circumstances to perform the agreed services and such actions do not contradict the Principal(s) express instructions.

The fees for the services shall be agreed with the Principal prior to confirming the appointment. They may, however, be amended by mutual agreement at a later stage to reflect the actual circumstances of performance of services.

The Member Company shall report to the Principal the information required by the agreed scope of services. Reporting is to be done to the Principal only unless otherwise expressly instructed by the Principal.

The Member Company may also report on any additional points relevant to the inspection or testing performed if it considers such additional information relevant and of potential interest to the Principal but the Member Company shall not have any liability for not reporting on anything beyond the scope agreed with the Principal in the appointment.

Unless otherwise expressly agreed with the Principal, the involvement of the Member Company shall be limited to providing its statement(s) of opinion to the Principal. This statement of opinion shall be valid for the time and place of inspection only.

The Member Company shall not be or deemed to be a party in any sale, carriage, etc. contract or to substitute any contractual party. Under no circumstances does the Member Company's involvement relieve any party to such a contract from its contractual responsibilities or other legal obligations.

### 4. Health, Safety and the Environment

TIC Council member companies consider the safety of their personnel as paramount. Personnel are expected to operate diligently and not to take actions that will subject themselves or others to unnecessary risk or harm.

Health and safety management systems operated by TIC Council member companies meet national guidelines; contain clear policy objectives, assess risk, review procedures and measure performance.

TIC Council Member companies follow best practice developed internally by member companies or by the industry at large in order to create a system of continuous improvement with the objective of providing a safe place of work at all times for its employees.

The activities undertaken by TIC Council member companies, whether on their own premises or that of third parties should be suitably risk assessed and the prescribed procedures duly followed. Where an individual believes that the task they are being asked to perform or the conditions under which they are being asked to work involves risks which are unacceptable or not suitably controlled they will exercise a "stop work"

authority. In such circumstances the task will not be undertaken until the conditions have been altered and an assessment confirms that it is safe to proceed.

Occasionally TIC Council member company employees are requested to sign indemnities relieving the owner or operator of a site or vessel from their legal obligation to provide a safe place of work. TIC Council Member Company field personnel have no authority to sign or accept such documents on behalf of their Company and are instructed not to do so. Issues of indemnity shall be addressed with the Principal(s) through the nomination or by contract.

TIC Council member companies are professional and environmentally conscious organisations and take all reasonable and practical measures to protect personnel and the environment.

## 5. Inspection of Cargo Compartments

When it is necessary to inspect cargo compartments (for example, vessels' holds or tanks, lorries, containers, inland or port storage facilities etc., please note this list is not exhaustive) within the scope of services agreed with the Principal, the TIC Council Member Company shall check that such compartments are clean and dry and in these respects are ready to receive the intended goods.

The inspection shall be done immediately prior to commencement of receipt of the goods or otherwise if agreed with the Principal or as possible and practicable in the circumstances. Unless otherwise expressly agreed with the Principal, the Member Company shall visually inspect the accessible parts of the compartments and give its opinion only on the cleanliness of the cargo compartments and not on any other aspects of their suitability to receive the intended goods (for example, suitability after previous cargoes, suitability of coating(s) of cargo compartment, water-tightness or cargo-tightness of closings, vessel's seaworthiness etc., please note this list is not exhaustive).

If cargo compartments are found not ready to receive the intended cargo, the Member Company shall discuss the time of the next inspection with the Principal, Carrier or as appropriate in the circumstances, if further inspection(s) is (are) required. The Member Company may comment on the steps to be taken by the responsible party to make the compartments ready but shall not be obliged to do so or deemed to do so and in no circumstances shall be responsible for the steps actually taken, their results or anything arising therefrom.

If requested by the Principal the Member Company may reproduce in its appropriate reports the information provided by other parties (for example, about previous cargoes, cleaning methods used etc., please note this list is not exhaustive) but it will be for information purposes only and the Member Company shall not be responsible for correctness of the information provided and anything arising therefrom.

Broader scope of inspection and of responsibilities may be expressly agreed between the Member Company and its Principal but in no circumstances shall it go beyond practicable and safe limits for the personnel inspecting cargo compartments. The regulations, rules, and safe practices applicable to entries to cargo compartments and any confined spaces must be strictly observed at all times.

The act of inspection and the results thereof do not relieve any party of its contractual responsibilities or other legal obligations.

## 6. Quantity Inspections

When the TIC Council Member Company is requested to perform or supervise the determination of the quantity of consignments, it shall use the method of inspection customary to the nature of the consignment (unitised cargo, or dry or liquid bulk, etc.). It may include but is not limited to a tally of cargo units (bags, boxes etc.), supervision of weighing over scales or weighbridges, Draft Surveys, gauging of tanks etc. or a combination of methods.

The choice of the exact method of inspection to be used shall lie solely and entirely with the Principal unless otherwise expressly agreed with the Principal or unless only one method can be used by the Member Company given the circumstances of the particular inspection or the method used is that which is in accordance with local practice.

If the quantity is ascertained by means of a tally the Member Company will be responsible for the performance of an appropriate tally but not for checking the content of the cargo units, their condition, suitability of packing and any other points unless this has been expressly agreed with the Principal.

If the quantity is ascertained by weighing over any type of weighing equipment the decision as to whether the equipment is appropriate for this purpose as well as actual accuracy, calibration and performance of the equipment shall lie solely and entirely upon the owner of the equipment or other party as appropriate (e.g. party contractually appointing and instructing the owner and/or operators of the weighing equipment) but not on the TIC Council Member Company unless otherwise has been expressly agreed between the Member Company and its Principal.

If Draft Survey of vessel(s) or barge(s) is used for ascertaining the quantity of the consignment, the TIC Council Member Company shall be allowed free access to the vessel(s) and/or barge(s) and documentation including but not limited to hydrostatic and ballast tables, curves and other records. The TIC Council Member will not accept any responsibility for the suitability of vessels and barges for Draft Survey, their condition as well as the content and accuracy etc. of data provided by the vessels' staff or any other party; and any inaccuracies arising there from.

If two or more methods are used for determination of quantity of the same consignment, the Member Company shall follow the rules and procedures applicable to each of the methods of determination but under no circumstances shall it be or deemed to be responsible for any difference of results between the methods or for any damages, delays etc. which could arise therefrom to any party.

The TIC Council Member Company shall note and report to its Principal the method used for quantity assessment and other appropriate details (for example the details of the weighing equipment used, the date of its latest calibration and check and who performed it etc. Please note this list is not exhaustive).

## 7. Sampling

The TIC Council Member Company shall be guided by the Principal's express instructions for sampling, sample preparation and distribution. In the absence of Principal's express instructions or if they are not complete, the Member Company shall be guided by the applicable international standards, Trade Associations rules (e.g. GAFTA, FOSFA, SAL etc.) customary to the commodity or goods to be sampled and other factors which can be relevant to the circumstances (type of cargo operations,

place of sampling, availability of automatic sampling equipment and whether the Member Company has access to it etc., please note this list is not exhaustive).

The Member Company shall follow the above-mentioned instructions, standards or rules as closely as possible and as practicable in the circumstances and to the extent that sampling is safe for its personnel.

Unless otherwise expressly agreed with the Principal, the samples drawn shall be kept for three months from the date of completion of sampling.

## 8. Quality Inspection and Analysis

While inspecting the quality of consignments the TIC Council Member Company shall be guided by the Principal's express instructions as to the scope of inspection, analyses to be performed and the set of methods of analyses to be used for each individual consignment. In the absence of the Principal's instructions as to the methods of analyses to be used or if the instructions are not complete, the Member Company may use the methods customarily used for the particular commodity in the particular origin or destination country or such methods as the Member Company considers appropriate on technical, operational and/or financial grounds.

The Member Company shall report to the Principal, or to any other party as it may be expressly instructed by the Principal, its findings as well as any further details (for example the methods of analyses used, any particular points on preparation of composite samples etc.) which may be appropriate in the circumstances.

In its certificates and reports the Member Company also shall describe among other details the way of sampling and of sample preparation of the samples analysed and the methods of analyses used as appropriate in each individual case.

If the Principal's instructions require the Member Company to arrange analyses in a third party's laboratory expressly instructed by the Principal, the Member Company may agree to arrange this but will pass on the results of the analyses without any responsibility for their accuracy.

### 8.1 Analysis of Submitted Samples

In some cases, samples are provided to TIC Council Member Companies for analysis (for example, by clients, their representatives or counterparties, third parties, etc.). Since in such cases TIC Council Member Companies did not perform or supervise the sampling operation and, therefore, have no knowledge of the sample(s) source, sampling method, the quantity and other description of the cargo parcel the sample is purported to represent as well as of how representative the sample(s) may be, TIC Council Member Companies cannot be held liable for any difference between the results of analyses of the samples provided in such a way or for the results of any subsequent sampling and analyses purporting to be from the same cargo parcel.

Any documents (for example, Certificates or Reports of Analyses, Laboratory Reports, etc.) issued by TIC Council Member Companies in relation to the analysis of submitted samples should state clearly the source of the sample(s) analysed, worded in such a way that should avoid any ambiguity to any party as to the limits of involvement of a TIC Council Member Company in such a case. It shall be clearly stated that the results of the analysis reported are for the sample(s) analysed but not for the cargo parcels from which the sample(s) are purported to have been taken.



TIC Council Member Companies shall not issue certificates of quality and /or alike certificates based on the analysis of submitted samples. Such Certificates of Quality and/or alike which are intended to represent the quality of a particular shipment or part thereof shall only be issued by TIC Council Member Companies based on the analysis of sample(s) drawn by TIC Council Member Companies themselves.

## 9. Inspections of Markings and Packaging

When the TIC Council Member Company is requested to perform inspections of markings and packaging of cargo units it shall proceed with visual inspection of the cargo units at the time and place instructed by the Principal. Commonly this is done during the transfer of cargo units out of or in to storage, or from one means of transport to another, or during storage of cargo units, but this list is not exhaustive.

The Member Company shall inspect those cargo units and their parts which are accessible for inspection without interference with cargo operations or without movements of the units in the warehouse or other storage facility, unless otherwise expressly agreed with the Principal and once necessary measures are taken by the appropriate party (the Principal, stevedores, warehouse personnel etc., please note this list is not exhaustive). In any case the inspection shall be performed to the extent that it is safe for all personnel involved.

Unless otherwise expressly agreed with the Principal, the Member Company will not check the content of the units inspected or any other aspects except the units markings and packaging.

## 10. Stock Inspection and Monitoring

Stock inspection or monitoring are services provided by TIC Council members consisting in spot or periodic inspection of goods in storage, for purposes including the verification of their quantity and/or condition and/or quality, and/or the adequacy of their storage conditions. The following provisions shall apply to the performance by TIC Council members of such services:

1. Safe and unrestricted access to all accessible parts of the stocks in question and the places where they are stored shall be granted (or caused to be granted) to the TIC Council Member by its Principal. Subject to prior agreement with the Principals, in case such access is denied to the TIC Council Member's surveyor/s, fees related to the surveyors' and other resources mobilisation shall be due in full by the Principal.
2. Findings with regards to quantity and apparent condition of the stored goods and their storage places reported by the TIC Council Member shall be limited to the readily accessible and verifiable parts thereof. The TIC Council Member shall clearly state in its report the method of verification used, and which elements of its report, if any, are inferred from those that could be directly verified.
3. When reporting on the quality of stored goods, TIC Council Members shall clearly state the sampling method used and the limitations to the representative value of the tested samples inherent to the goods' storage conditions.
4. When reporting their findings with regards to packaged goods in storage, TIC Council Members shall clearly state the method by and extent to which the content of such package could be verified.
5. The periodic or continuous monitoring of stocks and inventories by TIC Council Members, as agreed with their Principals, and including the affixing of any marker on any storage place or container, shall in no way constitute effective or implied custody of or responsibility over the goods by TIC Council Members. Instructions to third

parties bearing on deliveries, or handling of whatever nature, of the goods may be sent on copy to TIC Council Members, strictly for the purpose of verification by the TIC Council Member of their proper execution by the concerned third parties.

6. Where a TIC Council Member is required to verify any aspect of any documentation related to goods in storage, the Principal shall make, or cause to be made, such documentation readily available to the TIC Council Member representative. Findings reported by a TIC Council Member shall be limited to the documents provided to it.

## 11. Witnessing of Disinfection, Fumigation and Pest Control

Upon specific instructions of the Principal, the TIC Council Member Company will witness the operations of disinfestations, fumigation and pest control during loading, discharge or storage and will report on measures taken, by whom these measures were taken and the circumstances surrounding the intervention.

The TIC Council Member Company will not be responsible for the conduct of the operation or its effectiveness.

## 12. Sealing of Cargo Compartments

### 12.1 Introduction

The act of placing a “seal” on cargo compartments or other locations during the intervention of a TIC Council member is commonly recognized as the act of attaching a device to the object being “sealed” in such a way as to prevent the device being removed without damaging or destroying the device.

It is common practice for customers to request inspectors to “seal” cargo compartments, tanks, holds, trucks, silos, pipeline valves etc. by attaching a device at a point in time and for that device to remain in place until its usefulness is no longer valid, or the removal of the device is authorized.

Indeed, in some circumstances, it can be considered good practice for inspectors to attach a “seal” in such places, following a specific intervention, to indicate that following his or her intervention no other contradictory activity has taken place. In these circumstances the seals are generally removed at the inspector’s discretion.

It is important to consider the act of “sealing” in the context of the TIC Council member’s responsibility. The placing of a “seal” on or at any location cannot be considered a cast iron guarantee that the goods therein have not been tampered with or that the internal condition of the object sealed will remain unaltered. The act of placing a device to “seal” is at best indicative, provided that it remains intact, that the device has not been removed thereby enabling the object to which it is attached to be tampered with. It can also be used to signal an intention for an object not to be opened, manipulated, or interfered with, without authorisation.

This section does not cover sealing samples, nor does it cover special custom-made bolt type seals used in transit containers or special sealing devices used during collateral management interventions which are normally accompanied with suitable padlocks.

### 12.2 Sealing of Cargo Compartments

TIC Council members should adopt the following best practice when carrying out customers’ instructions to place “seals” during an intervention.

When it is necessary to seal cargo compartments (e.g. vessel's holds or tanks, lorries, containers, inland or port storage facilities etc. – the list is not exhaustive) within the scope of services agreed with the Principal, the TIC Council Member Company shall provide a suitable means to seal the concerned entity.

Such a seal should possess a unique, readily identifiable, and traceable mark and/or number.

The act of sealing should be properly documented and ideally confirmed/acknowledged in writing by the owner/operator of the sealed entity (ship's officer, truck driver, shipper of a container, storekeepers, etc).

This document shall only be a statement confirming that the entity was indeed sealed, at the time and place of sealing.

The presence of a seal upon a cargo compartment can never be construed as proof of inviolability.

A TIC Council Member Company cannot be held responsible for the lack of a seal, or damage to the seal, after its intervention.

### **13. Letters of Protest and Letters of Reserve**

It is common that the TIC Council Member will have to protect the interest of its principal(s) and will upon occasion have to issue Letters of Protest/Letters of Reserve to parties involved. It could be the case for example that cargo is found not to be in accordance with the specification, problems occur with the means of transport, loading/discharge gear or weighing arrangements. This list is given by way of example only and is not all-inclusive.

In connection with issuance of Letters of Protest/Letters of Reserve (LOP/R) it is important that a full description of the reason for the LOP/R is included. It is not sufficient to write “not in order” – the reason(s) must be described in detail.

In all circumstances, it should be made clear that the Member Company's General Terms and Conditions of Business apply to all services provided.

### **14. Reporting and Certificates**

#### **14.1 Reporting**

The TIC Council Member Company may report to its principal using various means such as telephone and email and by other methods as agreed with the Principal.

These reports may include for example:

1. Progress Reports, which are produced during the performance of an inspection and which are generally sent at regular intervals during the inspection process by email or any other transmission means in order to advise the Principal regarding the progress of the inspection and may include other relevant observations and/or

2. A Report of Inspection, which is produced on completion of the work or at intervals agreed with the Principal, which may include, but is not limited to information relating to the time and place of inspection, the results for various steps of the inspection process, modes of transport, means of inspection, sampling and sampling methods, grading and analyses results, pictures of the operation and other points that are within the scope of work contracted and are as referred to in the Scope of Work.

## 14.2 Certificates

When requested to do so, the TIC Council Member Company will issue a Certificate of Inspection. This certificate may be in paper or electronic format. In either case the certificate will be fully traceable in order to prevent fraud, so far as this is feasible.

The TIC Council Member Company may issue many types of Certificates of Inspection, according to the Scope of Work, the terms of the Letter of Credit or the contract concerned, as applicable (for example, Weight and Quality, Holds Inspection, Draft Survey etc). All should preferably be issued in a standard format used solely for this purpose by the TIC Council Member Company.

All Reports and Certificates are intended for the Principal of the TIC Council Member Company, or are transmitted according to the Principal(s) instructions, and should not be disclosed to any third party without the Principal(s) prior agreement.

Under normal circumstances TIC Council members will not issue “To whom it may concern” Reports or Certificates.

Where Agricultural Committee Bulletins have been published in relation to particular types of certificates, the provisions of the applicable Bulletin should be followed.

All Agricultural Committee Bulletins are published on the TIC Council website in the Agricultural and Vegetable Oils Committee section.

TIC Council Member Companies may include disclaimers as part of their Reports and Certificates. The issuance of Reports and Certificates does not relieve any party of its legal obligations. Any party relying on a Report or Certificate must understand that it is issued subject to contractual Terms and Conditions and disclaimers which form an integral part of any Report or Certificate to which they are appended. Where the TIC Council Member Company has adopted Terms and Conditions of Business based on the Model Terms and Conditions recommended by TIC Council, these will include provisions which limit the amount of damages for which the TIC Council Member may be liable.

### TIC Council