

August 2013



International Federation of Inspection Agencies

Preshipment inspection certification programme: Sub Committee Rules

First Edition



**IFIA Government Services Committee:
Rules governing the membership of the Government Services Committee sub-committee
for companies active in Pre-Shipment Inspection Certification**

IFIA's Government Services Committee's mandate includes, but is not confined to, the provision of a liaison between IFIA and the World Trade Organisation (WTO) and World Customs Organisation (WCO) over the provision of the services provided under Government mandate by IFIA members to certain national governments. Membership of the IFIA Government Services Committee is open to all IFIA Members active in the provision of various forms of services to governments, including but not confined to PSI and Consignment Based Conformity Assessment (CBCA).

1. IFIA Government Services Committee Requirements for Members Active in the Field of Pre Shipment Inspection

1.1 Government Services Committee Members active in the field of Pre Shipment Inspection shall, in addition to general IFIA requirements, be required to comply with the following:-

The IFIA PSI¹ Certification Programme based on:

- The IFIA PSI Certification Programme Rules
- The IFIA PSI Code of Practice
- The IFIA PSI Auditor's Check List

Note: Compliance with these PSI Rules shall be verified by IFIA (i) at the time a Member becomes active in PSI, or prior to an applicant for IFIA membership being accepted by IFIA, and (b) periodically as per point 2.2 below. Subject to compliance with these requirements, such Members shall be simultaneously IFIA Government Services Committee Members and members of the Pre Shipment Inspection Sub Committee.

2. Membership of the Pre Shipment Inspection Sub Committee

2.1 *Applications for Membership of the Pre Shipment Inspection Sub Committee*

2.1.1 The Director General shall promptly inform the Government Services Committee Members concerning the receipt of (a) applications for IFIA Membership from applicants active in the field of PSI and (b) applications from existing IFIA Members who are already active in or are considering activity in the field of PSI.

2.1.2 The Director General shall, within two months of receipt of the application or notification and all relevant information requested by IFIA, conduct a verification to confirm compliance of the applicant or Member with the PSI Certification Programme Rules in addition to other IFIA requirements where applicable.

2.1.3 For new applicants for IFIA membership active in the field of PSI, upon completion of all IFIA membership verification procedures, the Director General shall inform the result to the Government Services Committee Members pending ratification by the IFIA Council.

2.1.4 After ratification by the IFIA Council of the acceptance of a new Member, or acceptance into the sub group of an existing Member, the IFIA Secretariat shall update the listing of the Government Services Committee Members and the PSI Sub Committee which is publically available on the IFIA website.

2.2 *Maintenance of Membership of Pre Shipment Inspection Sub Committee*

2.2.1 Government Services Committee Members active in the field of Pre Shipment Inspection (the sub committee) shall be required to continually comply with the IFIA PSI Certification Programme Rules.

2.2.2 In the event that all of a sub committee Member's PSI contracts or mandates expire or are terminated or are dormant¹, but the sub- committee Member wishes to seek new PSI contracts or mandates, the Member may remain a PSI sub committee Member subject to it:-

- (i) Notifying IFIA of the date on which its contracts/mandates expired, terminated or became dormant
- (ii) Continuing to abide by these PSI Rules to the extent applicable
- (iii) Submission of Auditor's statements to IFIA as required under the IFIA Certification Programme Rules for Members during a period of PSI inactivity
- (iv) Notifying IFIA of the date on which it recommences normal PSI operations
- (v) Agreeing to a full external audit, as required by the IFIA PSI Certification Programme Rules, within 4 months of resuming normal PSI operations

2.3 *Resignation, lapse or termination of Membership*

2.3.1 Any PSI sub committee Member may resign by giving notice in writing of its decision to either (a) resign from IFIA or (b) withdraw from the PSI business and resign from the PSI sub committee based on the expiration or termination of all its PSI contracts and mandates.

2.3.2 In the event of any non-payment of contributions to the Committee funding as invoiced by IFIA, the IFIA Director General, after reasonable enquiry and having given the Member in default full opportunity to make representations, may recommend to the IFIA Council the termination of membership of IFIA of the Member.

2.3.3 In the event that the Committee recommends to the Council the termination of any membership of the Committee, the Council may, if it thinks fit, and shall, upon being so requested by the Member against which a recommendation of termination has been made, appoint an independent arbiter to review the facts, hear submissions from interested parties and thereafter decide whether or not such Member should be expelled from IFIA.

2.3.4 In the event of any resignation, lapse or termination of membership the Member in question shall remain responsible for its due portion of all charges incurred by the Committee or for which it is liable up to the date of such event.

¹ "Dormant" shall mean that the contract or mandate has not expired or been terminated but remains inactive for 6 months.

3. Maintenance of IFIA Listing of PSI Programmes

For the purpose of maintaining an up to date IFIA Listing of PSI Programmes in operation, each PSI sub committee Member shall notify IFIA, within 30 days, of a new PSI contract or mandate being awarded or an existing programme coming to an end or being revised in terms of scope. The IFIA Listing of PSI Programmes shall be published on the IFIA website and provided by IFIA when responding to enquiries from WTO, governments or other third parties.

4. Charging by PSI Sub Committee Members of Fees to Clients for PSI Activities

4.1 Payment of PSI Fees²

a. Compulsory PSI Programmes

PSI fees shall in principle be borne by the user country. PSI fees shall not be charged to exporters except in the case of abortive inspection visits.

Nevertheless, in exceptional cases, when fees are payable by importers, the Member may collect the PSI fee from the exporter if the exporter, freely or by mutual agreement with the importer, agrees to settle the PSI fees on behalf of the importer and obtain subsequent reimbursement.

In the event that a User Government is in default of payment for services, the Member may, after giving due notice of the suspension of the service, temporarily offer PSI services at the express request of exporters on a commercial basis to facilitate trade. The fees shall be refunded to the exporters when the Member is paid by the User Government for such services.

b. Voluntary PSI Programmes

When importers/exporters are not obliged to have a PSI, there is no objection to fees being payable by exporters provided this is not contrary to government regulations.

4.2 Basis of Ad Valorem PSI Fees³

When the Member charges the client ad valorem fees, the basis of calculation should be the value declared in the seller's commercial invoice and not the Member's opinion of value. In the event of abuses by importer clients, the Member may take up the matter with the user government.

² These rules were agreed between IFIA and EC, Brussels as acknowledged in EC DG1 letter D(99)/hs/50698 of 01/07/99

³ This rule is based on a declaration by IFIA to the WTO Working Party on PSI as per IFIA letter dated 30/09/98. It is intended to address concerns about potential conflicts of interest whereby Members might be encouraged to arbitrarily uplift their opinions of values in order to enhance their fees.