

EXPORT INSPECTION COUNCIL

INSPECTION AGENCY RECOGNITION SCHEME-2012

0 INTRODUCTION

- 0.1 The Export Inspection Council of India(EIC) was set up by the Government of India under section 3 of the Export (Quality Control and Inspection) Act 1963, in order to ensure sound development of export trade of India through Quality Control and Inspection. The Quality assurance and certification is ensured through its field Agencies, the Exports Inspection Agencies (EIAs) located at Mumbai, Kolkata, Kochi, Chennai and Delhi with a network of 29 sub offices backed by state – of - the art, NABL accredited laboratories spread across India.
- 0.2 Under Section7 (1) of the Act, the Central Government has powers to establish or recognize inspection agencies for quality control or inspection and bothby notification in the Official gazette, subject to such conditions as deemed fit, considering the requirements specified in Rule 12 of the Export (Quality Control & Inspection) Rules, 1964.
- 0.3 Further, EIC had been operating Inspection Agency Recognition Scheme 2002 for Recognition of Inspection Agencies as specified in Rule 12 Export (Quality Control & Inspection) Rules, 1964. The revised scheme has been alignedto the requirements as specified by **ISO/IEC Standard 17020:2012 ‘Conformity assessment- Requirements for operation of various types of bodies performing inspection’**.
- 0.4 This is second revision of EIC Inspection Agency Recognition Scheme and shall come into force with effect from 28th August2012;or as decided by Director(I&Q/C). However, inspection agencies already holding recognition as per EIC Inspection Agency Recognition Scheme 2002 shall be allowed recognition till the notified date of validity of their recognition, subject to their fulfillment of requirements enunciated in this revised scheme but compliance to revised ISO Standard of 2012, by 1st September 2013.

1.0 SCOPE

- 1.1 This document lays down the guidelines for applicants desiring it to be recognized as an agency under sub section (1) of section 7 which includesCriteria for recognition, Procedure for Recognition, Terms and Conditions of Recognition and Schedule for Fees covering recognition/renewal.
- 1.2 The recognition of inspection agencies under the Scheme shall be for each individual site/Branch/Centre/Port separately as per application filed for the purpose and notified in the Gazette issued by the Government of India and not for inspection operations at any other place in general.

2.0 CRITERIA FOR RECOGNITION

- 2.1 The Criteria for Recognition under the Scheme has been revised to align it with the revised international standard ISO/IEC 17020:2012 for ‘Conformity assessment-Requirements for the operation of various types of bodies performing inspection’and reference to the clauses of the above standard has been given, wherever needed.

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- 2.2. The inspection agency seeking recognition under the scheme shall either be accredited or shall implement Quality management systems to meet the requirements of ISO/IEC 17020: 2102 and ISO/IEC 17025: 2005 with the following provision:
- 2.2.1 The agency shall be a 'Type A' inspection body providing 3rd party inspection services conforming to Clause 4.1.6 (a) of the ISO/IEC 17020:2012 standard read with its minimum requirements at Annexure A.1 (third party inspection body) under Clause 4.1 on 'Impartiality and Independence'.
- 2.2.2 The inspection agency shall generally not sub-contract any part of its inspection work. In exceptional circumstances it may sub-contract part of its work, provided that the sub-contractor meets the requirements as specified in para2.2.1 above and is recognized under this Scheme, The prior written permission of EIC-New Delhi is required and information may be provided to the client in advance.
- 2.2.3 The inspection agency shall maintain a laboratory for the scope applied to support its inspection work. The laboratory shall either be approved by EIC as per norms described in EIC Laboratory Approval Scheme 2010/ Issue 3 or shall ensure compliance with the requirements of ISO/IEC 17025:2005 'General requirements for the competence of Testing and Calibration laboratories' or it shall be accredited by NABL for the applied scope.

3.0 PROCEDURE FOR RECOGNITION

3.1 Application

- 3.1.1 Any agency desiring recognition as an inspection agency for any of the notified commodities under the Act and/or of interest to EIC to support its inspection work shall furnish an application to nearest Export Inspection Agency (EIA), at Chennai, Delhi, Kochi, Kolkata & Mumbai in the prescribed formats as at Annex 'B' accompanied by an application fee of Rs.25000/- (non-refundable) as given in the Schedule of Fee in Annexure A of this scheme along with copy of its Quality Management System documents /Quality Manuals. The application should be complete in all respect. It should be accompanied by necessary documents in relation to its activities including proof of its legal identity, experience in inspection as well as quality management systems implemented by it. A copy of application filed with EIA together with all its enclosures including Manuals and copy of payment document of application fees to EIA shall also be simultaneously forwarded to EIC, New Delhi.
- 3.1.2 On receipt, the application shall be scrutinized by EIC for completeness including manpower, their qualifications/ competence, infrastructure available and scope to decide its acceptability or otherwise. Once the application is accepted, it shall be given an application number and duly acknowledged.

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- 3.1.3 In case of any deficiencies, EIC may either call for supplementary information or reject the application giving reasons for the same in writing with a copy to concerned EIA. The reasons for rejection may be one or more of the following:
- i. The agency is seeking approval for a commodity under its scope, which is not of interest to EIC at that time,
 - ii. The agency doesn't have adequate technical capability for the scope applied.
 - iii. Incomplete Application documents as necessary and non-payment of fees,
 - iv. Previous performance of agency not satisfactory, in case of renewal application.
 - v. Any other reason as deemed fit by EIC.

3.2 Adequacy Audit

- 3.2.1 After the application has been accepted by EIC, the application & Quality Manuals submitted by the applicant shall be examined by an Assessor or any suitable person chosen by EIC for verifying their adequacy and conformity to the Criteria for Recognition given in Clause 2 and based on ISO/IEC 17020:2012 and ISO/IEC 17025:2005.
- 3.2.2 Any deficiencies observed during adequacy audit shall be duly communicated to the applicant for taking suitable corrective actions and for submission of appropriate amendments/ clarification/ revised manual within a period of 15 days for re-examination. EIC shall process the application further, only once the Manuals are adjudged to be adequate.

3.3 On-site Audit

- 3.3.1 EIC shall organise an on-site audit by deputing a team of at least two auditors to assess and submit their assessment report to EIC in formats prescribed by EIC about compliance or otherwise by the agency to the documented quality management systems as well as its technical competence vis-à-vis scope of recognition applied.
- 3.3.2 The audit will comprise the following:
- a) Opening Meeting - This meeting will be conducted by the audit team leader in which the Head of organization or Head of Branch, management representative and heads of all the divisions being audited are expected to be present. During this meeting, the team leader will explain the scope and extent of the audit as well as their plan for audit.
 - b) Conduct of Audit - The audit shall be conducted as per the audit plan agreed to during the opening meeting, and shall cover all areas of the agency relevant to the scope of recognition. Audit shall include verification of infrastructure and facilities, examination of management system documents, related inspection records, and also assessment of competence of personnel. The respective head, who is conversant with the activities of the division(s) being audited, should accompany each auditor. The non-conformities observed by the audit team shall be so recorded in the appropriate format prescribed by EIC and handed over to the agency at the end of each day for providing necessary corrective action within an agreed time frame not exceeding 30 days.

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- c) Closing meeting - The on-site audit shall conclude with a closing meeting during which the audit team shall present its findings to the agency. All the members present in the opening meeting should preferably be present in the closing meeting. The non-conformity reports shall be signed by Management Representative or authorized signatory, as a token of acceptance indicating proposed corrective action and its time frame which in no case shall exceed 30 days for providing to the auditor(s) appropriate corrective action(s) along with evidence.
- 3.3.3 Before this audit is undertaken, the applicant shall have conducted at least one internal quality audit and one management review to ensure the implementation of the documented quality management systems and follow up on the necessary corrective actions carried out and evidence to this effect provided with application.

3.4 Audit Fee

- 3.4.1 The applicant shall pay audit fee in advance, the estimate of which will be provided by EIC, depending upon the man-days expected to be spent on the audit etc. and based on the schedule of fee given in Annexure A of this scheme.

3.5 Responsibilities of Applicant during Audit

- 3.5.1 The agency is expected to provide the following assistance to the audit team during the visit:
- a) Arrangements for stay, local guidance and travel etc.
 - b) A suitable room where members of the team can meet and discuss during the day and at the end of the day to exchange their notes and findings.
 - c) Secretarial and other office assistance like photocopying etc.

3.6 Follow up on Initial Audit

- 3.6.1 In case the team reports non-conformities, the applicant agency shall take necessary corrective actions which may have to be verified by EIC and or its auditor(s) for satisfactory closure, before grant of recognition is considered. This may call for a follow up on-site verification audit, for full or partial assessment, as the case may be.

3.7 Recognition

- 3.7.1 Based on the findings of the audit team and satisfactory report of their assessment of fitness to act as an inspection agency, the case for grant of recognition shall be placed before Director (I&Q/C), EIC for recommendation to the Central Government for recognition and notification.
- 3.7.2 The recognition shall be granted for an initial period of three years, renewable for maximum of three years at a time.

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3.8 Consideration for Accreditation

- 3.8.1 If the applicant agency already holds accreditation based on ISO/IEC 17020:1998 or 2012 standard or its lab is accredited by NABL for the scope applied, due consideration would be given to the same.

4. SURVEILLANCE

- 4.1 All recognized inspection agencies shall be subject to surveillance audits at least once a year by EIC in order to assess and verify the state of implementation and maintenance of their quality management system including its lab on any specified date. No postponement for this audit by any inspection agency shall be allowed. If necessary it may be an unannounced surprise audit based on inputs received by EIC. For any such audit, fees as set out in Annexure A shall be payable.
- 4.2 During the operation of recognition, if the agency fails to observe the terms and conditions of Recognition, its recognition is liable to be suspended at the discretion of EIC, with the approval of Director (I&Q/C) and may call for special visits for which the agency shall be liable to pay site audit charges, as set out in Schedule of Fee given in Annexure A.

5. EXTENSION OF SCOPE

- 5.1 Any recognized inspection agency can request for extension of its scope of recognition to cover additional areas by making a written request to EIC. In case changes are to be made to the Quality Manual, a copy of revised/ amended quality manual shall also be submitted. The request shall be examined by EIC to assess whether an on-site visit is required for verification or not. In case a visit is to be made, audit fee shall be payable by applicant agency as given in Clause 3.4 above. No application fee shall be payable except charges at f) of Annexure A of the scheme.

6. RENEWAL OF RECOGNITION

- 6.1 Any recognition granted automatically expires at the end of the period of its validity as prescribed in the notification. A renewal notice will be issued to recognised inspection agency by EIC about six months before expiry of their validity. However, the responsibility shall be that of the agency concerned to ensure that the application for renewal is received in time i.e. at least five months before its expiry.
- 6.2 The agency shall submit as at 3.1.1 above the renewal application along with the prescribed application fee as at Annexure A of the scheme to the nearest office of Export Inspection Agency at least five before the expiry of its current recognition period with its copy to EIC, New Delhi. A renewal audit, similar to the initial on-site audit, shall be organized by EIC and carried out before considering further renewal.
- 6.3 If any non-conformity is found during the renewal audit, the agency shall have to take necessary corrective actions for satisfactory closure of the non-conformity, which may

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need to be verified by EIC, before the recognition is renewed for a further period of maximum of three years.

- 6.4 The renewal shall be based on assessment of performance during the previous validity period and also on-site assessment report of renewal audit. Any complaints received during the period shall also be duly considered.
- 6.5 In any event of delay in issue of fresh renewal notification the applicant agency shall desist from undertaking inspection based on previous recognition, if its validity has expired and in the event otherwise, shall be liable for punitive legal action.

7. SUSPENSION

- 7.1 EIC may, at its discretion, suspend recognition of an agency, if a complaint or any other information is received which indicates that the agency is not maintaining the Criteria for Recognition and/or its technical competence and / or integrity is not satisfactory. An order from EIC shall be issued to all concerned including Customs to this effect.
- 7.2 An agency, aggrieved by the decision of EIC may prefer an appeal to the Director (I&Q/C), EIC, along with all documents in support of their appeal which shall be considered. If desired, a personal hearing will be afforded by Director, EIC and the suspension order may be ratified or modified. Decision taken by the Director (I&Q/C), EIC in the matter shall be final.

8. EXPIRY AND WITHDRAWAL OF RECOGNITION

- 8.1 The recognition of an inspection agency shall automatically expire at the end of its validity as prescribed in the notification of recognition.
- 8.2 The recognition of an agency shall also expire if the renewal is not agreed to by the Central Government.
- 8.3 The recognition of an agency may also be withdrawn any time during the recognition period with information to all concerned including customs for any of the following reasons:
- 8.3.1 If EIC feels that no useful purpose is being served by the continuation of the recognition of the agency.
- 8.3.2 If the agency is unable to maintain the Criteria for Recognition.
- 8.3.3 If the technical competence or integrity is not satisfactory based on any information or complaint.
- 8.4 EIC with the approval of Director (I&Q/C), shall issue a show cause notice in case it intends to withdraw recognition of an agency as per Clause 8.3.2 or 8.3.3 above, after due investigation, if required. The concerned agency shall be given an opportunity to explain

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to Director (I&Q/C), EIC, and its view point in a personal hearing, if so desired, before any action is taken against it.

- 8.5 The inspection agency, whose approval has been withdrawn, may apply for fresh approval not earlier than one year from the date of withdrawal of approval.

9 TERMS AND CONDITIONS OF RECOGNITION

9.1 The approval shall be granted for a period of three years which shall be renewable for maximum period of three years at a time, before expiry of earlier approval, subject to satisfactory performance based on periodic review/surveillance audit carried out by EIC.

9.2 The approved agency shall normally perform the inspection work on its own. In case the agency sub-contracts part of the work, which may include testing, it shall take EIC's prior written approval and duly notify the same to client in advance. Failure to do so shall attract provisions of Para 4.2 of the scheme.

9.2.1 The sub-contracted work order shall only be placed with another EIC approved Inspection Agency/Lab. covering the services for which the agency intends to sub-contract the work. Failure to do so shall attract provisions of Para 4.2 of the scheme.

9.3 The recognized agency shall not make any changes in the Quality System which formed the basis for the grant of the recognition and which prevents its compliance to the Scheme without prior approval of EIC. Failure to do so shall attract provisions of Para 4.2 of the scheme. It shall document all changes made to the Quality System and make records of such changes available to EIC on request. EIC may consider whether or not to carry out an on-site visit to ensure compliance to the scheme/requirements.

9.3.1 Any change in key personnel in relation to quality assurance, key technological functions or senior management shall be notified to EIC. Failure to do so shall attract provisions of Para 4.2 of the scheme.

9.3.2 The recognized agency shall inform EIC immediately about the major changes / breakdowns etc. affecting compliance to EIC's Criteria for Recognition. Any failure to do so shall attract provisions of Para 4.2 of the scheme.

9.4 The recognized agency shall submit a quarterly statement along with a copy of Inspection Certificate for export issued to EIC, regarding number and value of consignments inspected, no's of certificates issued/refused, appeals and complaints with name of clients. Failure to do so shall attract provisions of Para 4.2 of the scheme.

9.5 The recognized agency shall invariably inform the nearest office of EIA before undertaking inspection of any commodity for which it is recognized, giving details of Exporter/shipper, item, quantity, port of destination as well as time of commencement of inspection. It shall also obtain EIA code, to be incorporated in all relevant documents pertaining to this inspection, including

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the '**Inspection Certificate For Export**'. Failure to do so shall attract provisions of Para 4.2 of the scheme.

9.6 The **Inspection certificate For Export** shall be issued by recognized agency on a printed format (1+4) as at **Annexure C** and shall bear running Certificate Numbers. It shall be a controlled document with conditions of issue printed on the reverse as at (Annexure-'C').

9.7 The applicant or recognized inspection agency shall provide unambiguous information regarding any individual or organization that has provided consultancy towards accreditation/recognition against this scheme or any ISO standard.

9.8 The recognized agency shall permit access to EIC/EIA officer(s)/team(s) deputed for the purposes of assessment, surveillance or investigation. It shall give access to all relevant records and documents for the purpose of verifying any details. Refusal shall attract provisions of Para 4.2 of scheme.






9.9 The recognized agency shall not use its approval in such a manner as to bring EIC into disrepute and shall not make any statement relevant to its recognition, which EIC may consider to be misleading. Failure to do so shall attract provisions of Para 4.2 of the scheme.

9.9.1 The recognized agency may make a public claim regarding its EIC recognition. However, such claim shall be strictly based on the scope of its recognition. It shall discontinue claiming EIC recognition and withdraw all promotional and advertising material upon suspension or cancellation of its recognition which if comes to the notice, shall make that agency liable for punitive legal action.

9.10 Any agency may relinquish EIC recognition by giving three months' notice in writing to EIC. It shall however not be entitled to refund of any fee already paid and shall ensure to continue to comply with the terms & conditions of recognition during the period.

9.11 EIC may, at its discretion, reduce scope of recognition. It may also arrange for an on-site reassessment due to changes in personnel, and / or if a complaint or any other information is received which indicates that the technical competence and integrity/ confidentiality of the agency is not satisfactory. An audit fee as at Annexure A in such a case shall be chargeable.

9.12 The agency shall cease to issue inspection certificates for export consignments once its notified validity period is over or in the case of suspension/withdrawal of its recognition by EIC, which if comes to the notice, shall make that agency liable for punitive legal action.

-  Schedule for Fee **Annexure -A**
-  Application Form **Annexure-B**
-  Inspection Certificate for Export **Annexure C**
-  **Process Workflow**
-  **List of Nodal Officers**