

**EXPORT INSPECTION COUNCIL**  
**INSPECTION AGENCY RECOGNITION SCHEME-2012**

0. INTRODUCTION

0.1 The Government of India under its Export (Quality Control & Inspection) Act, 1963 set up Export Inspection Council (EIC) as its official export inspection and certification body to ensure sound development of India's export trade through quality control & inspection. Export Inspection Agencies (EIAs) have been set up under Section 7 of the Act, headquartered at Chennai, Delhi, Kochi, Kolkata and Mumbai with a network of 29 sub-offices including laboratories as EIC's operational field organizations'.

0.2 Further, under Section 7 (1) of the Act, the Central Government has powers to recognize inspection agencies subject to conditions as deemed fit by notification in the Official Gazette. Further, Rule 12 of the Export (Quality Control & Inspection) Rules, 1964, relating to 'Agency for quality control or inspection or both' provides as under:

- (1) Any authority or organization desiring itself to be recognized as an Agency under sub-section (1) of section 7 of the Act may apply to the central government furnishing particulars of its constitution and the resources at its disposal for carrying out the functions of an agency as specified in the Act together with an undertaking that it shall comply with the provisions of the Act and these rules or of any order, direction or instruction which may, from time to time, be made, issued or given by the Central Government ( or the Director).
- (2) On receipt of an application from any such authority or organization the Central Government, if it is satisfied after making necessary inquiries that the authority or organization is fit to act as an Agency, may by notification in the Official Gazette recognize such authority or organization as an Agency for the purpose of sub-section (1) of section 7, subject to such conditions, if any, as may be specified in the notification.
- (3) The recognition may be granted for a period of three years and may be renewed from time to time for periods not exceeding three years at a time

0.3 Accordingly EIC had been operating EIC Inspection Agency Recognition Scheme 2002 for Recognition of Inspection Agencies aligned with the International Standard ISO/IEC 17020: 1998 'General criteria for the operation of various types of bodies performing inspections'. This International Standard has since been revised by **International 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 Recognition Scheme and shall come into force with effect from 16th July 2012; 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 July 2013.

**1. SCOPE**

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- 1.1 This document lays down the guidelines for applicants, criteria for recognition, terms and conditions of recognition, and financial aspects for according recognition/renewal of recognition etc. to inspection agencies.
- 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 notification of recognition issued by the Government and not for inspection operations at any other place not specified in the notification of recognition.

## **2. 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.
- 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 17020:2012 and ISO/IEC 17025:2005 with the following provisions:
  - 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 at 2.2.1 above and is recognized under this Scheme, with prior written permission of EIC-N.Delhi and with due notification in advance to the client.
  - 2.2.3 The inspection agency shall maintain a laboratory to support its inspection work for the scope applied for and the same shall either be approved by EIC as per norms of EIC laboratory Approval Scheme 2010/ Issue 3 for compliance with the requirements of ISO/IEC 17025:2005 ‘General requirements for the competence of Testing and Calibration laboratories’ or be accredited by NABL for the applied scope.

## **3. 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 ‘A’ accompanied by an application fee of Rs.25000/- (non-refundable) as given in the Schedule of Fee in Clause 9 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

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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- NewDelhi.

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.

3.1.2.1 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 it's scope, which is not of interest to EIC at that time,
- ii. The agency doesn't have adequate experience/facilities/manpower for the scope applied.
- iii. Application incomplete, fees/documents to be attached including manuals not submitted.
- 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. 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.

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- 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 technical personnel's. 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.
- 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 Clause 9 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

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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.

**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 clause 9 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 Clause 9.

**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 Clause 9 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 for applying for renewal in time i.e. at least five to six 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 clause 9 of the scheme to the nearest office of Export Inspection Agency at least five to six months before the expiry of its current recognition period with its copy to EIC-N.Delhi. A renewal audit, similar to the initial on-site audit, shall be organized by EIC and carried out before considering further renewal.

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- 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 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-New Delhi, 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 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), EIC, 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 to Director (I&Q/C), EIC, 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.

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### 9.SCHEDULE OF FEE

- 9.1 The following are the charges payable under the Scheme:
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| <b>a) Application Fee:</b> (non-refundable)                | Rs.25000.00  |
| <b>b) On site Audit Fee:</b> (per man day)                 | Rs.5, 000.00 plus expenses for<br>travel and stay of auditors chargeable at cost |
| <b>c) Annual Recognition Fee</b>                           | Rs.50, 000.00 to be paid in advance  |
| <b>d) Operating fee per Certificate</b><br>(with EIA code) | Rs.500.00<br>(to be paid monthly to EIA)   |
| <b>e) Renewal Application Fee:</b>                         | Rs.15, 000.00  |
| <b>f) Addition of scope</b>                                | Rs.2, 500.00   |

The inspection agency shall make these payments in the form of Demand Draft/Pay Order drawn in favor of the concerned office of nearest Export Inspection Agency (EIA) payable at Chennai, Delhi, Kochi, Kolkata or Mumbai as the case may be and forward its photocopy to 'EXPORT INSPECTION COUNCIL' at NEW DELHI for information along with a copy of letter/ application together with its enclosures.

### 10. TERMS AND CONDITIONS OF RECOGNITION

- 10.1 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 of the agency at least once a year.
- 10.2 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.
- 10.2.1 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.
- 10.3 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.
- 10.3.1 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.

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- 10.3.2 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.
- 10.4 The recognized agency shall submit a quarterly statement along with a copy of Certificate of Inspection 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.
- 10.5 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 the '**Inspection Certificate For Export**'. Failure to do so shall attract provisions of Para 4.2 of the scheme.
- 10.6 The **Inspection certificate For Export** shall be issued by recognized agency on a printed format (1+4) as at **Annexure B** and shall bear running Certificate Numbers. It shall be a controlled document with conditions of issue printed on the reverse as at (Annexure-'B').
- 10.7 The applicant or recognized inspection agency shall provide unambiguous information regarding any individual or organization that has provided consultancy for its preparing towards accreditation/recognition against this scheme or any ISO standard.
- 10.8 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.
- 10.9 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.
- 10.9.1 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.
- 10.10 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.



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- 10.11 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 Para 9 in such a case shall be chargeable.
- 10.12 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.



For Annexure's information, Please click on the link Below

**ANNEXURES**