



DEPARTMENT ADMINISTRATIVE ORDER NO. **18 - 08**
Series of 2018

SUBJECT: THE NEW TECHNICAL REGULATIONS CONCERNING THE MANDATORY PRODUCT CERTIFICATION OF DEFORMED STEEL BARS, REROLLED STEEL BARS AND EQUAL LEG ANGLE STEEL BARS

WHEREAS, the Department of Trade and Industry (DTI) is the economic catalyst that enables innovative, competitive, job generating, inclusive business, and empowers consumers;

WHEREAS, the Bureau of Philippine Standards (BPS) [formerly known as Bureau of Product Standards] is mandated by Republic Act (RA) 4109, Series of 1964 to perform standards development, certification, testing, policy formulation and monitoring functions;

WHEREAS, the same mandate is reiterated in RA 7394 or the Consumer Act of the Philippines wherein it states that, "it shall be the duty of the State to develop and provide safety and quality standards for consumer products, including performance or use-oriented standards, codes of practice and methods of tests; to assist the consumer in evaluating the quality, including safety, performance and comparative utility of consumer products; to protect the public against unreasonable risks of injury associated with consumer products; to undertake research on quality improvement of products and investigation into causes and prevention of product related deaths, illness and injuries; and to assure the public of the consistency of standardized products";

WHEREAS, to implement the above-cited laws and by virtue of the rule-making power of the DTI Secretary under Executive Order (EO) 292 or the Administrative Code of 1987, Department Administrative Order (DAO) No. 4, the Rules and Regulations Concerning the Philippine Standard (PS) Quality and/or Safety Certification Mark scheme of the BPS, and DAO No. 5, entitled the New Rules and Regulations Concerning the Issuance of the Import Commodity Clearance Under the Product Certification Scheme of the BPS were issued in 2008;

WHEREAS, consistent with the above-cited mandates, laws and policies, Philippine National Standard (PNS) 49:2002 (Steel bars for concrete reinforcement – Specification), PNS 211:2002 (Rerolled steel bars for concrete reinforcement – Specification) and PNS 657:2008 (Hot-rolled steel sections – Equal-leg angles – Specifications) have been declared mandatory standards in order to inspect, sample, test and certify that the products are compliant with the requirements thereof;

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WHEREAS, the World Trade Organization (WTO) defined **Standard** as “a document approved by a recognized body, that provides, for common and repeated use, rules, guidelines or characteristics for products or related processes and production methods, with which **compliance is not mandatory.**” (emphasis supplied)

WHEREAS, the WTO defined **Technical Regulation** as “a document which lays down product characteristics for their related processes and production methods, including the applicable administrative provisions, with which **compliance is mandatory.**” (emphasis supplied)

WHEREAS, under Section 9, Article XVI of the 1987 Constitution, “The State shall protect consumers from trade malpractices and from substandard or hazardous products.” Thus, to ensure quality, safety, and traceability of steel products the nature of which entails a high level of protection for safety, all existing policies and procedures regarding the mandatory implementation of the aforementioned standards shall be revised.

NOW, THEREFORE, pursuant to Section 9, Article XVI of the 1987 Philippine Constitution; RA 4109; R.A. 7394; E.O.101, Series of 1967; EO 913, Series of 1983; and EO 292, Series of 1987, Sec 10 (4), Chapter 3, Title X, Book IV, the following technical regulations governing the BPS Mandatory Product Certification Schemes for steel products are hereby prescribed and promulgated for the compliance, information and guidance of all concerned.

Rule 1. OBJECTIVE

This DAO aims to strictly ensure that steel products meet the specified safety and/or quality requirement/s prescribed by BPS.

Rule 2. SCOPE

This DAO prescribes the Technical Regulations for Mandatory PS Licensing Scheme covering steel products, whether locally manufactured or imported, as follows:

- 2.1 Rerolled Steel Bars covered by PNS 211:2002
- 2.2 Deformed Steel Bars covered by PNS 49:2002
- 2.3 Equal Leg Angle Bars covered by PNS 657:2008

Rule 3. DEFINITION OF TERMS

For purposes of this Order, the following definitions shall apply:

- 3.1 **Audit** - a systematic, independent and documented process for obtaining audit evidence, and evaluating it objectively to determine the extent to which the audit criteria are fulfilled. ¹

¹ ISO 19011:2011

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- 3.2 **Audit criteria** – set of policies, procedures or requirements used as a reference against which audit evidence is compared. ²
- 3.3 **Attestation** – issuance of a statement of conformity based on a decision following review of an audit report, that fulfillment of specified requirements has been demonstrated. ³
- 3.4 **Accredited Conformity Assessment Body (CAB)** – inspection body, testing laboratory or certification body accredited under ISO/IEC 17020, ISO/IEC 17021, ISO/IEC 17025 or ISO/IEC 17065, respectively, in its relevant updated version/edition by the Philippine Accreditation Bureau (PAB) or by an accreditation body that is a signatory to regional/international agreements entered into by the Government of the Republic of the Philippines through DTI [(i.e. Asia-Pacific Laboratory Accreditation Cooperation (APLAC), International Laboratory Accreditation Cooperation (ILAC), International Accreditation Forum (IAF)]
- 3.5 **BPS** – Bureau of Philippine Standards of the DTI.
- 3.6 **BPS Recognized Conformity Assessment Body (CAB)** – the CAB (inspection body, testing laboratory, or certification body) duly recognized by BPS to have the scope and competence to conduct activities relevant to the requirements set forth by BPS, to include but not limited to, CABs accredited by the PAB, CABs recognized by BPS under the Association of South East Asian Nations Mutual Recognition Arrangement (ASEAN MRA), Asia-Pacific Economic Cooperation (APEC) MRA and other regional and bilateral MRAs entered into by the Government of the Philippines through the DTI. BPS shall issue Recognition Certificate upon completion of all requirements for application for recognition.
- 3.7 **Certification Body** – third party conformity assessment body operating a certification scheme.
- 3.8 **Confirmation** – an action, declaration, document, or statement that corroborates, ratifies, verifies, gives formal approval, or assures the validity of something. ⁴
- 3.9 **Conformity Assessment Body (CAB)** – a third party inspection body, testing laboratory and certification body operating within its scope of competence.
- 3.10 **Conformity** – fulfillment of a requirement. ⁵
- 3.11 **Critical Testing** – verification testing of steel product's conformance to the variation in mass, tension test and chemical analysis requirements only.
- 3.12 **DTI** – Department of Trade and Industry
- 3.13 **Determination** – include assessment activities such as testing, measuring, inspection, design appraisal, assessment of services, and auditing to provide information regarding the product requirements as input to the review and attestation functions.

² *Ibid.*

³ *ISO/IEC 17000*

⁴ *Webster's New World Law Dictionary*

⁵ *ISO/IEC 17000*

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- 3.14 **Evaluation** – systematic examination of the extent to which a product, process, or service fulfills specified requirements. ⁶
- 3.15 **International Standard** – a standard developed under the WTO principles for international standards development such as those developed by international bodies like the International Organization for Standardization (ISO), International Electrotechnical Commission (IEC), International Telecommunication Union (ITU) and those developed by foreign standards bodies under these principles.
- 3.16 **Inspection** – examination of a product, process, service, or installation or their design and determination of its conformity with specific requirements, or, on the basis of professional judgment, with general requirements.⁷ This includes inventory and sampling.
- 3.17 **Inspection body** – a body that performs inspection. ⁸
- 3.18 **ISO/IEC 9000** - Quality Management System - Fundamentals and Vocabulary
- 3.19 **ISO/IEC 9001** – Quality Management Systems – Requirements
- 3.20 **ISO/IEC 17020** – Conformity assessment – Requirements for the operation of various types of bodies performing inspection.
- 3.21 **ISO/IEC 17021** – Conformity assessment – Requirements for bodies providing audits and certification of management systems.
- 3.22 **ISO/IEC 17025** – General requirements for the competence of testing and calibration laboratories.
- 3.23 **ISO/IEC 17065** – Conformity assessment – Requirements for bodies certifying products, processes and services.
- 3.24 **ISO 19011** - Guidelines for Auditing.
- 3.25 **Lot No./Batch No.** – an identification number permanently marked on the tags per bundle. This is used to identify production heats of any other product for quality control purposes.
- 3.26 **PAB** – Philippine Accreditation Bureau of the DTI.
- 3.27 **Philippine National Standards (PNS)** – Standards promulgated by the BPS.
- 3.28 **Product Certification** – the provision of impartial third-party attestation that fulfillment of specified requirements have been demonstrated. ⁹
- 3.29 **PS License** – authority given by BPS to a local/foreign manufacturer, authorizing the use of the PS Certification Mark on its product.

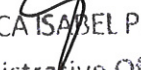
⁶ *Ibid.*

⁷ *ISO/IEC 17020*

⁸ *Ibid.*

⁹ *ISO/IEC 17065*

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- 3.30 **Review** – verification of the suitability, adequacy and effectiveness of selection and determination activities, and the results of these activities, with regard to fulfillment of specified requirements.¹⁰
- 3.31 **Sampling** – a method of getting a representative sample of a product shipment according to a specified procedure.
- 3.32 **Statement of Confirmation (SOC)** – a document stating that the imported steel product was sourced from a steel manufacturer with a valid PS License and that the imported steel product from said steel manufacturer complies with specified requirements after undergoing inspection and verification and should contain the batch number and manufacturing date of the imported steel.
- 3.33 **Surveillance** – a systematic iteration of conformity assessment activities as a basis for maintaining the validity of the statement of conformity.¹¹
- 3.34 **Test Report** – a document that presents test results and other information relevant to a test.
- 3.35 **Testing Laboratory** – a laboratory which measures, examines, or determines the characteristics of performance of material or products. It may also be a laboratory that calibrates inspection, measuring and test equipment.
- 3.36 **Third Party** – a body that is independent of the organization that provides the product/service and is not the user of the product/service (testing, inspection, and sampling).¹³
- 3.37 **Logo** – any BPS pre-qualified visible signs or registered trademark capable of distinguishing the manufacturer of the steel products.
- 3.38 **Trade name** – any registered name or designation identifying or distinguishing an enterprise
- 3.39 **Verification** – confirmation, through the provision of objective evidence, that specified requirements have been fulfilled.¹⁴ This may include product testing.
- 3.40 **Warehouse** – secured premises built purposely for storage of products and to preserve the quality and integrity of the same.

Rule 4. THE PHILIPPINE STANDARD (PS) QUALITY AND/OR SAFETY MARK

For safety, traceability and accountability purposes, only steel products sourced from steel manufacturing plant(s) holding a valid PS Quality and/or Safety Certification Mark License(s) shall be permitted to be distributed, sold and used in the Philippines.

- 4.1. **The PS Quality and/or Safety Mark Licensing Scheme** – the PS Quality and/or Safety Mark Licensing Scheme (PS Licensing Scheme for brevity) shall be available to both local and foreign manufacturers selling or distributing steel products in the Philippine market. The License to use the PS Certification Mark

¹⁰ ISO/IEC 17000

¹¹ ISO/IEC 17000

¹³ Ibid.

¹⁴ ISO/IEC 9000

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shall be granted to a company found to be compliant with the requirements. To ensure compliance of the certified products, regular surveillance activities as per existing DTI rules shall be conducted as follows, as may be applicable:

- 4.1.1 Local companies holding a valid PS license;
 - 4.1.1.1 Annual system and product audit at the factory; and
 - 4.1.1.2 Regular product audit at the warehouse/market.
- 4.1.2 Foreign companies holding a valid PS license;
 - 4.1.2.1 Annual system and product audit at the factory; and
 - 4.1.2.2 Regular product audit per shipment

Rule 5. DOCUMENTARY REQUIREMENTS AND PROCEDURES FOR THE PS LICENSING SCHEME

5.1 Application for PS Licensing Scheme shall be supported by the following:

- 5.1.1 Duly accomplished application form, subscribed and sworn to by the applicant, or his duly authorized management representative. In case of an overseas applicant, the application form shall be duly authenticated by the Philippine Consulate in the country where the manufacturing plant to be audited is located. The requirement of authentication may be waived subject to reciprocity arrangements between the Philippines and the exporting country;
- 5.1.2 For a sole proprietorship: latest Income Tax Return or latest audited financial statement, permit issued by the local government unit having jurisdiction over it, and certification of an accountant on the net worth of the business, submitted once unless an amendment has been made within the current year; or

For a corporation or partnership: SEC Registration and Articles of Incorporation/Partnership and By-Laws, submitted once, unless an amendment has been made;
- 5.1.3 Quality Management System (QMS) Manual covering the product being applied for PS License, including the product/s' production process; and
- 5.1.4 Oath of undertaking to abide by the Terms and Conditions of the License, respectively signed by the manufacturer/ local office or agent/ importer.

5.2 PS License Application Process

- 5.2.1 Processing of applications under this scheme replaces the PS Scheme under DAO 4:2008, subject to the requirements and transitory provision stated herein.
- 5.2.2 Each PS License application shall be factory/plant/site-specific, logo/s-specific, and importer/local office/agent-specific. For foreign manufacturers, only one local importer per license shall be allowed. However, a specific