

- 12.5. The Product Certification Mark shall not be affixed on any products not covered by the license or certificate issued by BPS.
- 12.6. Establish and maintain systems of product recall and of addressing complaints filed by its clients or customers concerning its certified products, and shall maintain records thereof.
- 12.7. Give duly-authorized representatives of the BPS or DTI Regional/Provincial Offices or, in the case of foreign companies, by BPS or BPS-recognized CABs, full access to the premises where the certified product is manufactured/assembled/stored; to relevant equipment, records, personnel and subcontractors for purposes of investigating complaints or evaluating consistency of compliance with the requirements of this technical regulation;
- 12.8. Maintain a record of all complaints made known to it, relating to compliance with certification requirements and make these records available to the certification body when requested; take appropriate action with respect to such complaints and any deficiencies found affecting such product's conformance to the requirements for certification; and, document the action taken, subject to verification by the certification body.
- 12.9. Submit itself to surveillance activities to ensure consistent compliance with the BPS requirements of the Product Certification Scheme.
- 12.10. In case of subcontracts, shall assume full responsibility for its sub-assemblies', semi-finished and finished products' conformance to the specific requirements.
- 12.11. Inform BPS in writing of any changes that will materially affect its PS License and its ability to comply with BPS product certification requirements at least fifteen (15) calendar days prior to the date the change will be made, such as, but not limited to change in management, business name, addition of brand name, modification of product's designs and specifications and/or transfer of plant site.
 - 12.11.1. If the change involves addition of brand name and modification in the product's design or specifications, BPS shall facilitate the conduct of appropriate product certification activity;
 - 12.11.2. In case of transfer of plant site, BPS, DTI ROs/POs, or BPS-recognized auditing bodies shall conduct factory and product audit at the new site.
- 12.12. Pay the applicable fees and other charges as billed or stipulated by BPS, its duly recognized inspection and/or certification bodies.
- 12.13. Any incorrect references to the certification scheme; misleading use of PS licenses, Statement of Confirmation, marks or any other mechanisms indicating that a product is certified found in documentation or publicity materials or any breach hereof, shall be a ground for the issuance of Show Cause Order.
- 12.14. Traders or retailers in possession of covered products whose PS Licenses have expired or have been suspended, recalled, withdrawn, revoked or cancelled shall be notified in writing of such suspension, recall, withdrawal, revocation or cancellation.

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12.15. Upon suspension, recall, withdrawal, cancellation or revocation of the PS License, the holder shall discontinue the manufacture and/or use of covered products including advertising materials relevant thereto and shall take action as may be required by the BPS.

12.16. The PS License and Statement of Confirmation are non-transferable.

Any infractions of the foregoing shall be a ground for the suspension, withdrawal or cancellation of the license and/or certificate.

Rule 13. REQUIREMENTS IN CASE OF NON-CONFORMANCE

For covered products that do not conform to the requirements of BPS rules and regulations/guidelines, the following provisions, on a per shipment basis, shall apply:

13.1. A SHOW CAUSE ORDER shall be issued by BPS or DTI-ROs/POs giving the PS License holder or the importer opportunity to explain why its surety bond shall not be forfeited in favor of DTI and/or why a formal charge shall not be filed. This may include a CEASE AND DESIST ORDER addressed to the owner/manager of the individual or company concerned, to refrain from supplying, distributing, selling or displaying for sale the products subject thereof until such time that the Show Cause Order is lifted.

13.2. If the explanation to the Show Cause Order is not acceptable, the BPS or DTI-ROs/POs shall direct the manufacturer and/or importer concerned to submit a sworn affidavit undertaking to do the following as directed whichever is applicable:

13.2.1 Permanently cease and desist from supplying, distributing, selling or displaying for sale the non-conforming products subject thereof;

13.2.2 Effect a full product recall to account such products that are already in circulation through publication in a newspaper of national circulation, giving the public a period of thirty (30) days from publication within which to return subject products. The product recall shall specify the basis or ground therefor. The manufacturer/importer/distributor shall keep BPS informed in writing on the progress of the recall. Such publication shall include a NOTICE warning the public that the product subject thereof is not compliant with the safety and/or quality requirement, and

13.2.2 Recognize BPS authority to forfeit the Surety Bond in such amount as prescribed herein.

Rule 14. PROCEDURES AND REQUIREMENTS FOR PRODUCT RECALL

After the product is declared by the BPS to be non-conforming, the BPS shall immediately notify the manufacturer and importer. The manufacturer and/or importer shall within fifteen (15) days from receipt of notice implement product recall in accordance with the following:

14.1. The recall order shall be published in a newspaper of general circulation for at least two (2) consecutive Saturdays/Sundays,

- 14.2. The layout, content, font and size of the recall order shall be prescribed by the BPS;
- 14.3. The recall period shall be for a minimum of thirty (30) days from date of the second publication;
- 14.4. Proof of publication of the recall orders shall be submitted to the BPS or the DTI Regional/Provincial Office;
- 14.5. Inventory of the recalled products shall be submitted to BPS or DTI Regional/Provincial Office;
- 14.6. Recalled products shall be condemned, destroyed, or otherwise disposed of in accordance with applicable rules on disposal issued by the DTI, Department of Budget and Management and Commission on Audit.
- 14.7. The manufacturer and/or importer shall compensate parties availing of the recall order.

Rule 15. FEES, CHARGES, BOND REQUIREMENT AND OTHER EXPENSES

- 15.1. All corresponding fees, charges, costs, and other related expenses shall be for the account of manufacturer/importer.
- 15.2. Fees and charges to be paid by the applicant in accordance with Annex A shall be as follows:
 - 15.2.1. Application Fee;
 - 15.2.2. Audit/inspection fees;
 - 15.2.3. Transportation/travelling expenses, and board and lodging costs of auditor/s and inspector/s during audit/inspection, subject to existing rules and regulations or third-party provision;
 - 15.2.4. Processing Fee of Statement of Confirmation on imported products (non-refundable, payable upon filing of the application on per product, per shipment, per Bill of Lading/Airway Bill basis, assessed by the BPS based on the amount declared in the Invoice);
 - 15.2.5. PS License fee for manufactured products;
- 15.3. For imported steel, a Surety Bond shall be posted on a per shipment basis equivalent to Ten percent (10%) of the declared value or dutiable value of the imported product in Philippine Peso, whichever is higher to guarantee that the applicant shall perform its duties and obligations stated herein.
- 15.4. Any violation of the terms and conditions of the Product Certification Scheme shall, upon notice, result in the *motu proprio* forfeiture of the bond based on the degree of non-conformity or non-compliance stated herein.

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Rule 16. SHOW CAUSE ORDER AND BOND FORFEITURE

- 16.1 A Show Cause Order shall be issued against a manufacturer or importer who fails to comply with legal and technical requirements or whose product/s failed to conform to such requirements, unless the manufacturer or importer can justify under oath that the non-conformity is correctible and/or the non-compliance is negligible.
- 16.2 A Cease and Desist Order may be issued simultaneously with the Show Cause Order directing the manufacturer and/or importer to refrain from selling, distributing or disposing the products in any manner.
- 16.3 The surety bond may be forfeited partially or in full, depending on the degree of the non-conformity or non-compliance as follows:
- 16.3.1 Minor – This level or degree can be the subject of corrective action as allowed under applicable PNS/rules hence, may not be the subject of a Show Cause Order.
- 16.3.1.1 Inconsistencies in the markings/tags is up to five percent (5%) of the total number of bundles;
- 16.3.1.2 Transfer of products from a declared warehouse to another declared warehouse with prior notice to DTI;
- 16.3.1.3 Up to fifteen (15) days delay in responding to notices/letters;
- 16.3.1.4 Delivery of products covered by a Conditional Release from the Bureau of Customs (BOC) to one of the declared warehouses but not in the warehouse declared in the current application with notice to BPS prior to such delivery;
- 16.3.1.5 Number of missing steel products is not more than one percent (1%) of the total number of bundles;
- 16.3.1.6 Number of missing tags is up to five percent (5%) of the total number of bundles;
- 16.3.1.7 Typographical errors in documents or responses submitted;
- 16.3.1.8 Other circumstances analogous to the above.
- 16.3.2 Significant – This level or degree fell short of being considered justifiable.
- 16.3.2.1 Inconsistencies in the markings/tags is more than five percent (5%) up to twenty percent (20%) of the total number of bundles;
- 16.3.2.2 Transfer of products from a declared warehouse to another declared warehouse without prior notice to BPS;
- 16.3.2.3 More than fifteen (15) up to thirty (30) days delay in responding to notices/letters;

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- 16.3.4.3 More than sixty (60) days delay in responding to notices/letters;
- 16.3.4.4 Delivery of products from the BOC to a declared or undeclared warehouse prior to the release of the Conditional release;
- 16.3.4.5 Release of products whose quality/safety did not pass the test from the declared warehouse pending resolution of Show Cause Order or prior to the issuance of the required Clearance Certificate/License;
- 16.3.4.6 Inconsistency in the markings and the quantity of products with deficiency is less than fifty percent (50%) of the total quantity declared but the same has been committed more than once;
- 16.3.4.7 Number of missing quantity is more than five percent (5%) of the total number of bundles;
- 16.3.4.8 Number of bundles without tags is more than fifty percent (50%) of the total quantity declared;
- 16.3.4.9 Misrepresentation of material facts in the application or succeeding correspondence/s;
- 16.3.4.10 Other circumstances analogous to the above.

16.4 Bonds shall be forfeited in accordance with the following:

Degree of Non-conformity or Non-compliance	Amount of Bond to be Forfeited
1. Minor	None
2. Significant	25% of the total bond posted
3. Major	50% of the total bond posted
4. Critical	100% of the total bond posted

- 16.5 In case of multiple non-conformities or non-compliance, the amount of bond corresponding to the higher degree shall be forfeited.
- 16.6 Pending resolution of the Show Cause Order involving a particular shipment, applications filed after the issuance of the Show Cause Order by the same importer may be processed, provided, a sworn undertaking to abide by the decision on said SCO shall be submitted prior to the issuance of the necessary Certificate/License for succeeding application/s.

Rule 17. SUSPENSION, WITHDRAWAL, AND CANCELLATION OF PS LICENSE

17.1. A duly issued PS License shall be suspended, recalled, withdrawn, cancelled or revoked based on any of the following grounds:

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