

WORLD TRADE ORGANIZATION

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ACCESSION OF SAUDI ARABIA

Questions and Replies

concerning the revised Draft ICCP Comprehensive Procedures and Guidelines

The following document contains additional questions and replies submitted by Saudi Arabia concerning the revised Draft ICCP Comprehensive Procedures and Guidelines.

1. Introduction

Question 1.

The ICCP product list is not intended to be exhaustive and more products may be added at a future date. Could Saudi Arabia indicate whether or not it will provide a comment period for domestic and foreign suppliers with respect to proposed additions to the list?

Answer:

As for possible future changes to the programme, Saudi Arabia will, after becoming a full Member of WTO, provide adequate notification in accordance with the applicable WTO provisions.

Question 2.

We support Saudi Arabia's accession to the WTO. In this context it will be important that Saudi Arabia's arrangements relating to standards confirm to WTO requirements. We have concerns that the International Conformity Certification Programme (ICCP) will constitute a non-tariff barrier to trade, and that aspects of the Programme do not conform to WTO rules.

Our expectation is that, upon accession to the WTO, Saudi Arabia will abide by all the WTO rules that are relevant to the procedures and operations of the ICCP, without exception. These rules include the provisions of the WTO Agreements on Technical Barriers to Trade, the Application of Sanitary and Phytosanitary Measures, Pre-shipment Inspection and Import Licensing Procedures, as well as Articles III, VIII and X of the GATT 1994. We are keen to see progress towards such a situation.

We fully recognise Saudi Arabia's right to introduce WTO consistent measures to protect consumers, although it would strongly prefer that Saudi Arabia abandon the ICCP. Nevertheless, we welcome the opportunity to comment on the latest Draft Comprehensive Procedures and Guidelines relating to the ICCP.

We also look forward to Saudi Arabia's detailed explanation on the extent to which the current Draft takes into account the concerns previously expressed by WTO Members and the specific requirements of the relevant parts of the WTO Agreement. It would be useful if Saudi Arabia could specifically address these two points in some detail during forthcoming discussions on the ICCP.

On a general level, we assume that Saudi Arabia is prepared to give unqualified commitments in its Protocol of Accession that its standards, conformity assessment procedures, sanitary and phytosanitary arrangements, and pre-shipment inspection arrangements will be operated in a manner in full conformity with the relevant WTO provisions.

Answer:

Saudi Arabia highly appreciates this Member's support for its accession to the WTO. In this respect, Saudi Arabia reiterates what has been confirmed on many occasions that ICCP has been designed to be consistent with various WTO instruments. Saudi Arabia is furthermore fully committed to the continued and unqualified compliance of the ICCP with all WTO provisions and principles without exception upon becoming a WTO Member. Ever since its accession application, tens of questions have been raised by several WTO Members citing specific articles and provisions against which consistency is questioned. Saudi Arabia has replied offering full clarifications and justifications.

In addition, the new draft ICCP Comprehensive Procedures and Guidelines have been refined and streamlined as a manifestation of Saudi Arabia's efforts for full harmonization with WTO provisions.

The WTO Agreement on Pre-shipment Inspection (PSI) recognizes and honours the indisputable right of countries to mandate PSI programmes "*for as long and in so far as it is necessary to verify the quality ...of goods*" (under ICCP quality is identified as conformity to Saudi standards). There are no provisions whatsoever within the PSI Agreement that restrict the use of PSI by inspection bodies contracted by Central Government Bodies, regardless of any existing conformity assessment or assurance procedures. It follows that PSI Agreement facilitates the application of PSI over and above all other measures.

However, ICCP only uses PSI as a tool of conformity assessment subject to the test of confidence conveyed by the respective products regarding the assurance of conformity. Consequently, PSI is applied neither arbitrarily nor across the board, but varies with the status of the particular product vis-à-vis the programme, ranging from full PSI and PST (pre-shipment testing) for unknown/unregistered products, to PSI plus occasional PST for registered products, to occasional random PSI only for type approved products. In fact, Saudi Arabia's application of the ICCP is less restrictive to trade than allowed by PSI Agreement and implemented by all WTO countries that have opted to mandate PSI programmes. Consequently, ICCP can not be considered as a non-tariff barrier to trade.

Question 3.

We recall the International Conformity Certification Programme was discussed at the November 1996 informal meeting of the Working Party on the Accession of the Kingdom of Saudi Arabia. At that time there was discussion concerning consistency of the programme with various WTO instruments including the WTO Agreement on Technical Barriers to Trade (TBT), WTO Agreement on Pre-shipment Inspection (PSI), and GATT Articles III (National Treatment), VII (valuation for customs purposes), VIII (fees connected with importation), X (transparency). It would be helpful if the Saudi delegation could summarise the extent to which the current document takes into account the concerns raised during the last informal meeting of the Working Party about the WTO compatibility of aspects of the programme.

Answer:

Saudi Arabia has confirmed on many occasions that ICCP has been designed to be consistent with various WTO instruments. Saudi Arabia is furthermore fully committed to the continued and unqualified compliance of the ICCP with all WTO provisions and principles upon becoming a WTO Member. Ever since its accession application, questions have been raised by several WTO Members citing specific articles and provisions against which consistency is questioned. Saudi Arabia has replied offering full clarifications and justifications.

In addition, the new ICCP Comprehensive Procedures and Guidelines have been refined and streamlined as a manifestation of Saudi Arabia's efforts for full harmonization with WTO.

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Question 4.

We would appreciate clarification of the following comment contained in the introduction. 'The ICCP applies to 76 categories of products exported to Saudi Arabia. The list is not intended to be exhaustive and more products may be added at a future date...'. We believe that if change is to be a feature of the ICCP, assurance will be important to ensure suppliers retain confidence in the market.

- (i) What will be the process for deciding any new products to be added to the list of regulated goods?**
- (ii) How will exporters be informed of changes?**

Answer:

- (i) The priorities that the various government regulating agencies set for protection of the Saudi consumer against safety hazards and health and deceptive practices risks, as well as the protection of the environment, are the determining factors for expansion of the programme and for addition of products to the regulated products list in the future. The order of priorities is highly influenced by the level of susceptibility and actual exposure of consumers to the different hazards and risks in the market-place, and the extent to which unregulated imported products comply with Saudi standards on a voluntary basis.
- (ii) As for possible future changes to the programme, Saudi Arabia will, after becoming a full member of WTO, provide adequate notification in accordance with the applicable WTO provisions.

Question 5.

We would appreciate clarification of the following comment contained in the introduction. 'A wide list of laboratories approved to carry out testing is available. Expansion of this approved list has been facilitated by the inclusion of laboratories nominated by various countries under their government's full responsibility. Could the Saudi delegation confirm that it is not intended to have governments acting as quasi guarantors for commercially run testing laboratories?'

Answer:

On the subject of approval of laboratories, for countries that have Nationally Recognized Laboratory Accreditation Bodies, ICCP can approve those laboratories based on their compliance with ISO Guide 25 without the need for involvement of their respective governments. In case of absence of National Accreditation Bodies, ICCP can only approve laboratories based on SASO's own evaluation of those laboratories along ISO Guides, or on the basis of guarantee of their performance by the respective governments that nominated them. Governments will not be expected to act as guarantors for commercial laboratories or for laboratories they have not nominated.

3. Procedures for Product Compliance
B. Registration and Pre-shipment Inspection

Question 6.

The Registration procedure remains difficult to understand both in terms of the purpose and how it operates. Some clear explanation would be appreciated.

Secondly, is the registration phase a necessary condition of seeking type approval or can a manufacturer seek immediate type approval for his product ?

Answer:

The purpose of Registration is to facilitate demonstration by the exporter of the compliance of his products to the minimum requirements critical to Saudi Arabia. Initially, minimum requirements are general compliance with international or generic standards encompassed within Saudi standards. The exporter submits a self-declaration of the standards he complies with. The declaration is analyzed against Saudi Arabian national deviations and the exporter is informed of the steps to be taken to meet the specified criteria. The extent of full and continued compliance with the Saudi specific standards is tracked through discrepancy reports resulting from inspection of consignments without disrupting flow of trade.

In principle, exporters are not precluded from seeking direct type approval of their products. In practical terms, however, the initial steps for type approval of unregistered products are identical to Registration procedures.

Question 7.

Could Saudi Arabia give additional information on the difference between Registration and the first steps which have to be fulfilled for type approval licence (application for licence)and pre-shipment compliance verification (request for certification)?

Answer:

There is no difference between Registration and the first steps towards Type Approval. The draft ICCP Comprehensive Procedures and Guidelines are intended to provide basic information on the steps required and the differences between Registration, Type Approval and Pre-shipment Compliance Verification. Additional information on Registration and Type Approval is made available upon request or application from the Regional Licensing Centres.

Question 8.

We note the removal of the reference to understated shipment values that was present in the ICCP Guidelines previously (Reply to Question 88 of WT/ACC/SAU/13/Add.1).

Can Saudi Arabia provide any assurance that it will not have recourse to pre-shipment inspection for the determination of customs value in the future?

Answer:

Saudi Arabia may exercise its WTO recognised right to implement PSI for customs valuation at any time if it finds the measure to be in its best interest.

C. Type Approval Licensing

Question 9.

The document states that a major determining factor of compliance assurance maintenance is the evaluation and approval of the manufacturer's quality control system. Does this mean only ISO 9000 certification and, if not, what are the criteria for evaluating the quality control system?

Answer:

For manufacturers that have ISO 9000 quality control certification or any other equivalent or internationally recognised quality control (QC) certification, the Saudi Arabian Standards Organization (SASO) would only need to verify the existence and validity of such certification. In rare cases where the existing QC system is not internationally recognised, SASO would evaluate it based on its own merits and whether it achieves the same objectives of the international systems.

Question 10.

The document states that SASO licensing procedures "closely follow" ISO/IEC Guide 28. Could Saudi Arabia identify any points where the SASO licensing procedures do not follow the relevant ISO/ IEC Guides?

Answer:

SASO can not identify any points where the SASO licensing procedures do not follow the relevant ISO/IEC Guides.

Question 11.

With respect to surveillance, licensing surveillance is comprised an annual repeat of the factory inspection and limited retest of the type approved product(s). Does this also apply to ISO 9000 certified manufacturers?

Answer:

For ISO 9000 certified manufacturers, only verification of existence and validity of surveillance are necessary. Limited retesting of type approved products may be necessary. Retesting carried out under an existing type approval scheme that meets the SASO licence requirements need not be duplicated.

Question 12.

Could Saudi Arabia define more clearly what is meant by "process related products" and the rationale for more frequent surveillance, sample selection and testing.

Answer:

Process related products are those in which natural variability of the raw materials requires closer monitoring and control for quality assurance purposes. Examples of this would be found in cigarettes, food products, some jewellery, perfumes and cosmetics. The frequency of surveillance will be determined by experience of the consistency of quality found.

Question 13.

According to the draft text, the Saudi Government will recognize the tests, quality marks, or certifications issued by approved internationally accredited conformity and type testing laboratories or institutions.

However, the terminology "Internationally accredited" may be construed in many different ways, which leaves the possibility of confusion and selective interpretation. A more precise definition of such internationally accredited laboratories or institutions should be clarified in advance.

In this regard, we request the Saudi Government to recognize the tests, quality marks and certifications of the Korea Laboratory Accreditation Scheme (KOLAS) which is accredited in accordance with ISO/IEC Guide 25.

Answer:

Laboratories accredited by nationally recognized laboratory accreditation bodies that accredit in accordance with ISO/IEC Guide 25 are prime candidates as internationally accredited institutions.

Tests, quality marks and certifications issued by Laboratories accredited by KOLAS are recognised, subject to verification that the accreditation adheres to ISO Guide 25.

Question 14.

The Type Approval Licensing option contains procedures that appear to be very stringent. With the information supplied, it seems that the conformity of the product to SASO requirements is established during the type approval procedure and not with the delivery of the certificate of conformity (CoC). Is there a possibility that both procedures could be merged into one operation especially since the certification will be counter checked upon arrival in Saudi Arabia?

Answer:

Type approval licensing is an annual process that characterizes the product in general while the CoC is associated with individual consignments. The CoC provides specific information unique to the products included in the consignment. It is not possible to design the type approval certificate in such a way that by itself it can be accepted. The Guidelines explain in detail that the SASO Country Office (SCO) has to provide the CoC identification number and a copy of all documents must be provided to the SCO for monitoring and intervention in case of discrepancies or violations. Furthermore, CoC is required in a standard format for all shipments whether type approved or not.

Question 15.

Please, can an explanation be given as to why Saudi Arabia demands a Certification of Conformity (CoC) in addition to a type approval certificate. Normally, a type approval certificate is the same thing as a CoC. Is it not possible to design the type approval certificate in such a way that by itself it can be accepted, without the need to obtain a separate Certificate of Conformity?

Answer:

Type approval licensing is an annual process that characterizes the product in general while the CoC is associated with individual consignments. The CoC provides specific information unique to the products included in the consignment. It is not possible to design the type approval certificate

in such a way that by itself it can be accepted. The Guidelines explain in detail that the SCO has to provide the CoC identification number and a copy of all documents must be provided to the SCO for monitoring and intervention in case of discrepancies or violations. Furthermore, CoC is required in a standard format for all shipments whether type approved or not.

Question 16.

The Draft Comprehensive Procedures and Guidelines makes a solitary reference to the "SASO Licence Agreement" (section 3C). However no details are provided.

Could Saudi Arabia provide details of the purposes of eligibility criteria for and procedures surrounding the issuance of a "SASO Licence Agreement"?

Answer:

The SASO Licence Agreement is an agreement on the part of the manufacturer to use the Type Approval Licence only for the purpose for which it was intended. That is, to demonstrate compliance to Saudi Arabian requirements in order to issue or obtain shipment Certificates of Conformity.

Quality System Certification

Question 17.

We question the justification for imposing a factory quality system certification on top of the product type approval for many of the regulated products. This double procedure seems excessive and not in keeping with the TBT requirement to adopt the least trade restrictive procedures possible, We would request the Saudi Arabian Government to reconsider the need for this bearing in mind international practice and the fact that QS certification can be coupled with a manufacturer's declaration of conformity of the product, thus ensuring that the product itself conforms to specific requirements.

Answer:

ICCP type approval procedures are in accordance with internationally followed practices which require quality control system approval, verification and subsequent surveillance. Any existing QS certification or surveillance will be verified towards satisfaction of SASO type approval licence requirement.

Question 18.

For Type Approval Licensing, the manufacturer's quality control system will be evaluated. If this manufacturer's quality system has been certified by a certification body which is accredited by a national accreditation body, will this certificate be recognized (e.g. ISO 9000 standards)? If yes, will the SASO programme manager still proceed to the evaluation of the QS?

Answer:

Yes, the manufacturer's quality control system certification will be recognized. It will, however, be necessary for SASO to verify the relevant certification documents.

Question 19.

We welcome the commitment provided in Section 3D of the current document that for food products only, the exporter may choose to obtain a Certificate of Conformity prior to shipment or ship directly to Saudi Arabia without the need for certification. Food products shipped without a CoC will be sampled and tested upon arrival at Saudi Ports at the Ministry of Commerce or SASO laboratories against the applicable standards. Could the Saudi delegation confirm that no changes are planned to this option?

Answer:

This option is foreseen to persist in the future and no changes are presently contemplated. The choice of inspection and testing at country of export was facilitated by ICCP for the benefit of exporters who might prefer to secure their shipments against risk of post arrival rejection.

D. Direct Shipment - Group I (Food) Products Only

Question 20.

We refer to the provisions of the Draft Comprehensive Procedures and Guidelines which allow exporters of food products to obtain a Certificate of Conformity prior to shipment or choose to ship directly, subject to sampling and testing upon arrival in Saudi Arabia (section 3D).

Can Saudi Arabia guarantee that these two options will be retained for food products and that these two options will not become mandatory for food products?

What fees apply to food products that are shipped without a Certificate and tested upon arrival?

Answer:

This option is foreseen to persist in the future and no changes are presently contemplated. The choice of inspection and testing at country of export was facilitated by ICCP for the benefit of exporters who might prefer to secure their shipments against risk of post arrival rejection.

5. Regulated Products and Points of Contact

Question 21.

New Tyres (Sr. No. III-04) should be excluded from the list of regulated products. In Korea, new tyres are exempt from prior inspection at the point of import. Only re-treaded tyres are subject to inspection.

Answer:

Verification of conformity of new tyres and assurance of their suitability to Saudi Arabia's climatic and geographical conditions are vital safety motivated measures leading to reduction in fatal accidents. New tyres like other regulated products must be subjected to ICCP requirements.

Question 22.

We note Saudi Arabia's statement regarding prospects for the future expansion of the Programme (section VI of WT/ACC/SAU/15).

Could Saudi Arabia provide detailed information on how the currency of the list of SASO Approved Laboratories (at Appendix G of the Draft Comprehensive Procedures and Guidelines) will be maintained in response to possible changes in the list of Regulated Products?

Will governments, nationally recognized laboratory accreditation bodies and manufacturers be able to nominate additional laboratories for the list of SASO Approved Laboratories in the event of possible additions to the Regulated Products list? If so, can Saudi Arabia provide details of notification procedures that will allow the possibility of timely participation by such laboratories in the testing of additional Regulated Products?

How, when and by whom will proposals for additions to the list of Regulated Products (at Appendix A of the Draft Comprehensive Procedures and Guidelines) be notified? Will the reasons for all such additions be provided? Will notifications of such proposed additions (including reasons) take place at an early appropriate stage, when amendments can still be introduced and comments be taken into account? How will exporters and manufacturers be informed of changes?

Answer:

(i)(ii) As additional products are included in the regulated product list, additional laboratories will be approved to carry out the required testing according to the same criteria and procedures followed for existing regulated products, including the opportunity for governments and manufacturers to nominate their own labs for approval. This is an on-going exercise and can be initiated at any time after official notification by SASO of intention to add new regulated products.

(iii) The reasons for any addition of new products will be in accordance with legitimate WTO objectives e.g. health, safety, national security, public morals, the environment and prevention of deceptive practices.

The priorities that the various government regulating agencies set for protection of the Saudi consumer against safety hazards and health and deceptive practices risks, as well as the protection of the environment, are the determining factors for expansion of the programme and for addition of products to the regulated products list in the future. The order of priorities is highly influenced by the level of susceptibility and actual exposure of consumers to the different hazards and risks in the market-place, and the extent to which unregulated imported products comply with Saudi standards on a voluntary basis.

Saudi Arabia will, after becoming a full Member of WTO, provide adequate notification in accordance with the applicable WTO provisions.

8. Fees

Question 23.

The ad valorem nature of the pre-shipment fees structure appears inconsistent with Article VIII in that the fees do not represent the cost of service. Could Saudi Arabia indicate how it intends to modify its fee structure to ensure that it is based upon cost of service.

Answer:

PSI programmes are operated world-wide by about 40 countries, 33 of which are WTO Members. A World Bank study reported that PSI fees varied world-wide between 0.75 per cent and 1 per cent compared to a maximum of 0.5 per cent under the ICCP. Besides, the ICCP's PSI fees are not based

on a fixed percentage of f.o.b. value but are rather more equitably graduated to reflect greater economies of scale achieved at higher volumes, reaching as low as 0.15 per cent. In addition, ICCP facilitates substantial fee savings for frequent shipment exporters through “shipment aggregation”. In all, ICCP fees represent the approximate cost of services rendered to the fairest degree possible.

Question 24.

Any fee requirement must be appropriate in view of the services rendered. Excessive fees result in increased consumer prices. Thus, ad valorem fee requirements need to be modified.

Fees currently vary according to product value. Such fees ought to be reduced to, for example, \$100 in each case.

Answer:

PSI programmes are operated world-wide by about 40 countries, 33 of which are WTO Members. A World Bank study reported that PSI fees varied world-wide between 0.75 per cent and 1 per cent compared to a maximum of 0.5 per cent under the ICCP. Besides, the ICCP's PSI fees are not based on a fixed percentage of f.o.b. value but are rather more equitably graduated to reflect greater economies of scale achieved at higher volumes, reaching as low as 0.15 per cent. In addition, ICCP facilitates substantial fee savings for frequent shipment exporters through “shipment aggregation”. In all, ICCP fees represent the approximate cost of services rendered to the fairest degree possible.

Exporters who are not manufacturers

Question 25.

Please explain why, under the type approval procedure, manufacturers who export directly are treated differently (more favourably) than exporters who are not themselves the manufacturer.

Answer:

The confidence as to the assurance of conformity by manufacturers is much higher than exporters who deal with several manufacturers and may not value the goodwill that a compliant manufacturer is trying to maintain. In addition, a lot of assembly, relabelling and repackaging may be carried out by exporters which may change the original characteristics of the type approved products and render it non-compliant. Also exporters can not provide factory quality assurance. Refer to Section 4C on page 11 of the ICCP Comprehensive Procedures and Guidelines.

Transparency

Question 26.

Referring to the Pre-shipment Compliance Verification, the documentation provided by KEA states that exporters must apply to the SCO's to be advised of requirements. Are these requirements not however published (in e.g. the Official Journal of Saudi Arabia) thus avoiding the need for repeated recourses to the SCOs ? Secondly, can consideration be given to publishing all regulations and standards for all products for all SAG agencies, in a single Official Journal ?

Answer:

It is neither practical from the updating point of view nor economical to publish total requirements pertaining to all standards, products and procedures in one journal or booklet. SCO or SASO Information Centre in Riyadh can supply the requirements relevant to particular products or exporters.

Approved Laboratories/Inspection Bodies

Question 27.

What criteria are being used to give approved laboratories the status of inspection bodies, authorized to issue CoCs? Have these criteria been published/laid down? Does this mean that the approved laboratories can also determine type approval of products ? If not, what is the advantage of laboratories being entitled to issue CoCs, which is something that in any case manufacturers can do themselves?

Answer:

(i) As stipulated by the PSI Agreement, inspection bodies are contracted by central government bodies to carry out PSI on their behalf. SCO are the major PSI bodies of the ICCP. However, in certain countries and for specific product categories, SASO may find it appropriate to appoint inspection bodies that assume the role of SCOs in part or in full after meeting the necessary technical, administrative and training requirements. The choice of such inspection bodies remains at the discretion of the Programme Management. Refer to the definition of SCO on page 5 of the ICCP Comprehensive Procedures and Guidelines

(ii) Certain qualified laboratories can be approved to carry out type testing.

Question 28.

According to ICCP Guidelines, an Approved Laboratory is a testing laboratory which has been evaluated and approved by SASO based on its qualifications to carry out type testing and/or some level of conformity testing on selected regulated products. Eligibility for approval is open among others to laboratories accredited by nationally recognized laboratory accreditation bodies.

- (i) **Does this mean that every testing or inspection laboratory accredited by a nationally recognized laboratory accreditation body is eligible for approval?**
- (ii) **In WT/ACC/SAU/13, it is stated that accreditation of conformity assessment bodies (CAB) by international standardizing institutions would be considered as adequate to satisfy the assurance criteria. Could Saudi Arabia give examples of such CABs?**
- (iii) **Is it sufficient for a CAB to be accredited by a National Accreditation Body which is a member of international organizations of accreditation bodies such as the International Laboratory Accreditation Conference (ILAC) and the International Accreditation Forum (IAF)?**

In the draft ICCP Guidelines, it is said that approved laboratories can be classified as inspection bodies and that these qualified bodies can issue Certificates of Conformity.

- (iv) **What criteria (international standards) do these bodies need to fulfil?**

- (v) **Is it foreseen that these bodies issue CoCs without additional certificate from the programme manager?**
- (vi) **The Approved Laboratories can undertake conformity tests and evaluations. Can they determine type approval of products?**

Answer:

- (i) Yes. Laboratories accredited by National Accreditation Bodies that adopt ISO Guide 25 as an accreditation criterion are prime candidates for approval subject to SASO's verification of their scope to test the particular regulated product in accordance with the test method prescribed by the relevant SASO standard.
- (ii) For examples of Conformity Assessment Bodies (CABs), see Appendix G - List of Approved Laboratories - attached with ICCP Comprehensive Procedures and Guidelines.
- (iii) Yes. Subject to SASO's verification.
- (iv) As stipulated by the PSI Agreement, inspection bodies are contracted by central Government Bodies to carry out PSI on their behalf. SCOs are the major PSI bodies of the ICCP. However, in certain countries and for specific product categories, SASO may find it appropriate to appoint inspection bodies that assume the role of SCOs in part or in full after meeting the necessary technical, administrative and training requirements. The choice of such inspection bodies remains at the discretion of the Programme Management. Refer to the definition of SCO on page 5 of the draft ICCP Comprehensive Procedures and Guidelines. Certain qualified laboratories can be approved to carry out type testing.
- (v) SASO designated Inspection Bodies authorized to issue CoCs will become part of the Programme Management operational organization, and thus no additional CoC will be required.
- (vi) They can determine satisfaction of the type testing requirement. Type approval status is confirmed by SASO's Type Approval Licence which additionally requires satisfactory evidence of the QS approval and surveillance.

Question 29.

We note that the Draft ICCP Comprehensive Procedures and Guidelines now make provision for Approved Laboratories that are accredited by Nationally Recognized Laboratory Accreditation Bodies (section 2 of the Draft Comprehensive Procedures and Guidelines).

Can Saudi Arabia provide an assurance that it will retain this feature of the ICCP in all future versions of the Programme?

Can Saudi Arabia confirm that our national accreditation body, the National Association of Testing Authorities (NATA), will be recognised by the Saudi Arabian Standards Organisation (SASO) for the purpose of identifying specific competence in respect of individual products and product characteristics?

Answer:

The provision for approval of laboratories accredited by nationally recognised laboratory accreditation bodies has been included in accordance with the principles governing conformity assessment procedures under WTO/TBT Agreement and is intended to be retained as a major feature of the ICCP.

The National Association of Testing Authorities (NATA) will be recognized by SASO for accrediting Australian laboratories for approval to carry out type and conformity testing under the ICCP, subject to verification of adherence to ISO Guide 25 accreditation criteria.

Question 30.

We refer to the role of SASO in evaluating and approving testing laboratories to carry out type testing and/or some level of conformity testing on selected regulated products (section 2 of the Draft Comprehensive Procedures and Guidelines).

Could Saudi Arabia provide a detailed description of how SASO judges the technical competence of a testing laboratory in relation to a particular product, product group or product characteristic when the laboratory's technical competence in that area is not formally recognised by the Nationally Recognized Laboratory Accreditation Body of the country in which it operates?

Answer:

Whenever a lab's technical competence in a particular area is not formally recognized by the nationally recognized body of its country, SASO is ready to evaluate the nominated laboratory based on ISO Guide 25 and the specific testing requirement of the relevant Saudi standard.

Assessment of laboratories will also be made through cooperative studies and inter-laboratory exercises.

Question 31.

We also refer to “.... the inclusion of laboratories nominated by various countries under their governments' full responsibility ...” (section 1 of the Draft Comprehensive Procedures and Guidelines).

Can we obtain details of the Saudi Arabia's policy on and procedures for the nomination of foreign governments, and for the adjudication by SASO, of testing laboratories for Approved Laboratory status, including any guidelines that may exist for such purposes?

Can Saudi Arabia confirm that it is not intended that governments, in nominating laboratories, are acting as a guarantor for the subsequent performance of such laboratories?

Answer:

For countries that have Nationally Recognized Laboratory Accreditation Bodies, ICCP can approve those laboratories based on verification of their compliance with ISO Guide 25 without the need for involvement of their respective governments. In case of absence of National Accreditation Bodies, ICCP can only approve laboratories based on SASO's own evaluation of those laboratories along ISO Guides, or on the basis of guarantee of their performance by the respective governments that nominated them, subject to verification of the minimum competence requirements.

Certification Bodies other than ITS

Question 32.

We note in the reply to WT/ACC/SAU/13 Question 13 that products certified by SASO recognized certification bodies still have to obtain from the programme manager a CoC.

More clarification is needed on the extent to which duly accredited or SASO recognized certification bodies could certify and approve products to SASO requirements without the further intervention of the programme manager as an additional certifier.

Answer:

The recognised Certification Bodies intended in the reply to question 13 of WT/ACC/SAU/13 are third party certifiers comprised of a special category of internationally accredited laboratories and Notified Bodies that issue certificates or quality marks covering type testing and/or conformity to certain standards. These are to be distinguished from SASO designated Inspection and Certification Bodies who, in addition to the SCO's, may be authorized to issue CoC's under the ICCP. No additional CoC is required.

National Treatment

Question 33.

Is it correct to say that there is no law or regulation in Saudi Arabia obliging domestic manufacturers, etc. to follow the same technical requirements and conformity assessment procedures as imports are subject to under the ICCP. If this understanding is correct, would it not be useful to demonstrate observance of national treatment for a parallel regulation to be introduced?

Answer:

By Royal Decree, compliance with SASO standards is mandatory for all locally manufactured and imported products. As for conformity assessment procedures, TBT Agreement stipulates that Members should recognize other Member conformity assessment procedures as equivalent, though different from their own, provided they achieve the same objectives of their own procedures. It follows that conformity assessment procedures applied to domestic products do not necessarily have to be identical to ICCP procedures. Saudi Arabia's reply to WTO question 83 in WT/ACC/SAU/13/Add.1 elaborates on the analogy between conformity assessment procedures applied to domestic versus imported products.

Appendix A - The Regulated Products

Question 34.

We refer to the list of Regulated Products (at Appendix A of the Draft Comprehensive Procedures and Guidelines).

The list of Regulated Products refers to products falling to two-four-and six-digit HS headings without further specifying product descriptions and tariff lines. In the interests of transparency and understanding the precise products covered by the ICCP, we would appreciate detailed product descriptions and tariff line codes for the Regulated Products in Appendix A that represent only part of the HS codes at two-, four- and six-digit levels.

Answer:

The list of HS codes covering Regulated Products has been revised in an effort to identify the products by specifying the maximum number of digits of the HS code. The majority of products now have 6 digits for precise identification.

Appendix A**GROUP I - FOOD AND AGRICULTURAL**

Sr.No.	Item	HS Code
I-01	CHICKEN, WHOLE AND PIECES (CHILLED AND FROZEN)	020710 / 020721 / 020741
I-02	MUTTON AND GOAT MEAT	All 0204
I-03	BEEF AND BUFFALO MEAT (CHILLED AND FROZEN)	All 0201 / All 0202
I-04	CANNED AND PACKED MEAT	All 1601 / 160250 / 160290
I-05	CHEESE	All 0406
I-06	RICE	All 1006
I-07	TEA	All 0902
I-08	VEGETABLE OIL AND VEGETABLE FATS	150710 / 150790 / 150810 / 150890 / 151311 / 151390 / 151521 / 151529 / 151550 / 151110 / 151190 / 151211 / 151219 / 151221 / 151229
I-09	CANNED BABY FOODS	16021010 / 190110 / 20071010/210420
I-10	NON-ALCOHOLIC CARBONATED BEVERAGES (EXCLUDING NON-ALCOHOLIC BEER)	220110 / 22021020 / 22029040 / 22029050
I-11	SUGAR (WHITE AND BROWN)	170199 / 170290

GROUP II - ELECTRICAL & ELECTRONICS

Sr.No.	Item	HS Code
II-01	AIR CONDITIONING SYSTEMS UP TO 60,000 BTU (5 TONS)	84151020 / 84158121 / 84158221 / 84158321
II-02	COMBINED FUNCTION AUDIO AND/OR VIDEO SYSTEMS (NON PROFESSIONAL)	851991 / 851999 / 851931 / 851939 / 852110 / 852190 / 852031 / 85252050 / 85252060 / 852711 / 852719 / 852721 / 852729
II-03	NON PROFESSIONAL STAND-ALONE AUDIO PRODUCTS (EXCEPT RADIO RECEIVERS)	851991 / 851999 / 852031 / 851931 / 851939 / 851822 / 851821 / 851829 / 851830
II-04	VIDEO PLAYING AND RECORDING SYSTEMS (NON PROFESSIONAL)	852190 / 852110
II-05	GENERATOR SETS UP TO 12 KW	850161 / 850162 / 850211 / 850212 / 850220 / 850230
II-06	MOTORS UP TO 12KW	850110 / 850120 / 850131 / 850132 / 850151 / 850152
II-07	FAX AND TELEX MACHINES	85252020 / 85172010
II-08	HOUSEHOLD COOKING APPLIANCES	851660 / 851672 / 841981

Sr.No.	Item	HS Code
II-09	CLOTHES WASHING MACHINES UP TO 10 KG	845011 / 845012
II-10	CLOTHES DRYING MACHINES UP TO 10 KG	845121
II-11	ELECTRIC IRONS, IRONERS AND CLOTHES STEAMERS AND HAND-HELD HAIR DRYERS	851640 / 851631 / 851633
II-12	FOOD PROCESSORS (NON INDUSTRIAL)	850940
II-13	MEAT CHOPPERS AND GRINDERS (NON INDUSTRIAL)	85098020 / 820830
II-14	LIFT AND ELEVATOR SYSTEMS	842810 / 843131
II-15	HOUSEHOLD MICROWAVE OVENS	851650
II-16	ELECTRIC OVENS UP TO 10 KW	851660
II-17	COPY MACHINES	900911 / 900912 / 900930 / 900921 / 900922
II-18	COMPUTERS (DESKTOPS AND PORTABLES) AND MONITORS	847191 / 847120 from 847330
II-19	POWER TRANSFORMERS AND DISTRIBUTION TRANSFORMERS UP TO 1000 KVA)	850421 / 850422 / 850431 / 850432 / 850433 / 850434
II-20	HOUSEHOLD REFRIGERATORS AND FREEZERS UP TO 40 CU FT	841830 / 841840 / 841822 / 841821 / 841810 / 841829
II-21	TELEPHONE SETS AND MODEMS	851710 / 851740 / 851790
II-22	ELECTRIC WIRES AND CABLES UP TO 1000 V	854411 / 854419 / 854420 / 854441 / 8544510 / 85445120 / 85445910 / 85445920
II-23	NON INDUSTRIAL VACUUM CLEANERS, WATER SUCTION APPLIANCES AND SHAMPOOERS	850910
II-24	HOUSEHOLD ELECTRIC FIRES AND HEATERS	851629 / 851621
II-25	DRINKING WATER COOLERS AND FOUNTAINS	84186910
II-26	EVAPORATIVE AIR COOLERS (DESERT COOLERS) UP TO 1.5 KW	84151010 / 84158110 / 84158210 / 84158310
II-27	DOMESTIC ELECTRIC FANS	841451 / 841459
II-28	COMPRESSORS FOR COOLING UNITS UP TO 60,000 B.T.U.	841430 / 841480
II-29	TEA AND COFFEE BREWING APPLIANCES AND APPLIANCES FOR HEATING LIQUIDS	851671 / 851610
II-30	INCANDESCENT, FLUORESCENT AND DISCHARGE LUMINAIRES, FIXTURES AND LAMPHOLDERS	853910 / 853921 / 853922 / 853929 / 940510 / 940520 / 853661
II-31	MANUALLY OPERATED SWITCHES, CIRCUIT BREAKERS AND FUSES UP TO 30A	853510 / 853521 / 853529 / 853530 853610 / 853620 / 853650
II-32	INCANDESCENT, TUBULAR FLUORESCENT AND DISCHARGE LAMPS	853931 / 853940 / All 8540
II-33	BALLASTS FOR DISCHARGE TYPE LAMPS (INCLUDING TUBULAR FLUORESCENT LAMPS)	850410
II-34	STARTERS FOR DISCHARGE TYPE LAMPS (INCLUDING TUBULAR FLUORESCENT LAMPS)	853229 / 853650
II-35	GENERAL USE MAINS PLUGS, SOCKET OUTLETS AND MAINS CONFIGURATION ADAPTERS	853669

Sr.No.	Item	HS Code
II-36	LUMINAIRES FOR ROAD AND STREET LIGHTING	940540 940560
II-37	SECONDARY AND PRIMARY DRY BATTERIES	85061111 / 85061211 / 85061311 / 85061911 / 850620
II-38	IMMERSED SWIMMING POOL LUMINAIRES	940540
II-39	SECONDARY AND PRIMARY DRY BATTERY TERMINALS	850690
II-40	WATER PUMPS UP TO 12 KW	841319 / 841350 / 841360 / 841370 / 84138120
II-41	TV SETS (COLOUR/BLACK AND WHITE)	85281010 / 85282010
II-42	GENERAL USE MAINS VOLTAGE CONVERTERS AND POWER SUPPLIES	850440
II-43	STAND ALONE RADIO RECEIVERS	85252050
II-44	STORAGE TYPE WATER HEATERS UP TO 200 LITRES	851610
II-45	WATT HOUR METERS	902830
II-46	CORDLESS TELEPHONE SETS	852520 / 851711
II-47	DOMESTIC PRESSURE COOKERS, INCL. NON-ELECTRIC	732393 / 761510

GROUP III - AUTOMOTIVE

Sr.No.	Item	HS Code
III-01a	PASSENGER AUTOMOBILES, TRUCKS, BUSES AND MULTI-PURPOSE VEHICLES (NEW)	8701 / 8702 / 8703 / 8704 / 8705
III-01b	PASSENGER AUTOMOBILES, TRUCKS, BUSES AND MULTI-PURPOSE VEHICLES (USED)	8701 / 8702 / 8703 / 8704 / 8705
III-02	AUTOMOTIVE GLASS (WINDSHIELD, SIDE AND REAR GLASS)	700721
III-03	AUTOMOTIVE BRAKE FLUID	27100094 / 3819
III-04	NEW TYRES FOR PASSENGER AUTOMOBILES, TRUCKS, BUSES AND MULTI-PURPOSE VEHICLES	401110 / 401120 / 401210

GROUP IV - CHEMICAL

Sr.No.	Item	HS Code
IV-01	ENGINE, TRANSMISSION, HYDRAULIC, TURBINE, AND TRANSFORMER OILS	27100052 / 27100053 / 27100054 / 27100055 / 27100095 / 27100096
IV-02	PAINTS	All 3208 / All 3209
IV-03	PERFUMES AND COSMETICS	330290 / 33030010 / 33030020 / All 3304 / All 3305 / All 3306 / 33071010 / 33071090 / 330720 / 330730 / 330741

Sr.No.	Item	HS Code
IV-04	DOMESTIC USE PESTICIDES AND INSECTICIDES	3808

GROUP V - OTHERS

Sr.No.	Item	HS Code
V-01	ALUMINUM AND ALUMINUM ALLOY PRODUCTS FOR ARCHITECTURAL APPLICATION	7604 / 7606 / 7608 / 7609 / 7610 / 7616
V-02	STEEL AND IRON ALLOY PIPES	7304 / 7305 / 7306 / 7307
V-03	GOLD AND SILVER JEWELLERY (INCLUDING GEMSTONES)	711311 / 711319 / 711320 / 711411 / 711419 / 711420
V-04	HEAD DRESS FOR MEN - COTTON SHEMAGH	6505910
V-05	FIRE EXTINGUISHERS UP TO 24KG	842410
V-06	CEMENT	252321 / 25232910 / 25232920
V-07	SAFETY MATCHES	360500
V-08	LOW PRESSURE REGULATORS, FOR DOMESTIC GAS CYLINDERS	84818030
V-09	FACIAL TISSUE PAPER	481820 / 4803
V-10	CIGARETTES ONLY	240220

Appendix C - Regional Licensing Centres**Question 35.**

The location of regional licensing centres is currently very limited with only four centres, which can be founded in Hong Kong, the United States of America, Sweden and Japan. Such limited availability has caused exporters in other countries practical problems in applying for registration and type approval. Taking into account geographic distribution and export volume, the Saudi Government is encouraged to designate more regional licensing centres.

Given the potential trade volume between the two countries, the Korean Government requests the Saudi Government to designate a regional licensing centre in Korea (the eighth largest country in export volume to Saudi Arabia in 1995).

Answer:

The ICCP has surpassed one year of operation during which Registration was the prevailing method of compliance verification. The demand for type approval licensing is still in its infancy and the current availability of Regional Licensing Centres has thus far proven to be adequate in providing the required level of service to all exporters. Communication between Licensing Centres and exporters usually only involves documentary correspondence whereby the geographical location of Licensing Centres is not of vital importance.

Although only four Regional Licensing Centres are presently available, these Centres are mainly acting as evaluation and approval centres. Quality systems certification and surveillance activities are carried out by delegated bodies while type testing is carried out by approved laboratories. Nevertheless, should the need arise as a result of a notable increase in the number of manufacturers opting for type approval, ICCP Programme management will respond by considering the possibility of appointing additional centres in geographically convenient locations.

Appendix F - SASO ICCP Pricing**Question 36.**

We refer to the fee structure for compliance verification (at Appendix F of the Draft Comprehensive Procedures and Guidelines).

- (i) When will this fee structure be brought into full conformity with Article VIII.1(a) of the GATT 1994, which requires that all fees and charges of whatever character in connection with importation shall be limited in amount to the approximate cost of services rendered?
- (ii) Is a Certificate of Conformity (or equivalent) required for a good produced in Saudi Arabia that is a like product to any Regulated Products? Do the same standards apply to domestic and imported products? What fee structure for compliance verification in relation to Saudi Arabia standards applies to domestically produced goods? How does this fee structure compare with the SASO ICCP pricing outlines at Appendix F of the Draft Comprehensive Procedures and Guidelines?
- (iii) With regard to the second paragraph of section 5 of Appendix F, there appears to be no details of or criteria for determining what constitutes a “product” or “model”. We would be grateful for such details and criteria. What are the rules for distinguishing a “product” from a “model”?

Answer:

(i) PSI programmes are operated world-wide by about 40 countries, 33 of which are WTO Members. A World Bank study reported that PSI fees varied world-wide between 0.75 per cent and 1 per cent compared to a maximum of 0.5 per cent under the ICCP. Besides, the ICCP's PSI fees are not based on a fixed percentage of f.o.b. value but are rather more equitably graduated to reflect greater economies of scale achieved at higher volumes, reaching as low as 0.15 per cent. In addition, ICCP facilitates substantial fee savings for frequent shipment exporters through "shipment aggregation". In all, ICCP fees represent the approximate cost of services rendered to the fairest degree possible.

(ii) The same standards apply to domestic and imported products without exception. Replies incorporated within Question 83 of WT/ACC/SAU/13/Add.1 explain the analogy between conformity assessment procedures applied to domestic versus imported products.

TBT Agreement stipulates that Members should recognize other Member conformity assessment procedures as equivalent, though different from their own, provided they achieve the same objectives of their own procedures. It follows that conformity assessment procedures applied to domestic products, and fees associated with them, do not necessarily have to be identical, nor directly comparable to corresponding ICCP procedures and fees.

Nevertheless, fees applied to domestic products cover the inspection and testing services carried out on a non-discriminatory and non-favourable basis.

(iii) SASO Programme Management will recommend logical grouping of products but the Manufacturer may choose his own categorisation within certain guidelines. These largely involve a three level approach:-

- Regulated Product Category, e.g. cigarettes;
- Specific Name or Actual Product within Product Category, e.g. Rothmans;
- Specific Model or Type within each Product, e.g. Rothmans Lights, Rothmans King Size.

There is usually no need to further sub-divide models by size, volume, etc. if the chemical or physical characteristics are identical.