

IFIA Council Regulation 1



INTERNATIONAL FEDERATION OF INSPECTION AGENCIES

Categories of IFIA Members, IFIA Membership Criteria and Application Procedure

Regulation 1 made by the Council Pursuant to Article 37 of the Articles of Association on 12th October 2001 (amended with effect from 11th February 2010)

• Definitions •

1. The Definitions contained in Article 1 of the Articles of Association form part of this Regulation. References in these Regulations to Articles means the Articles of Association for the time being of the Federation.

• Categories of Members •

2. There are four categories of Members as set out in Article 6 namely:-
 - 2.1 Members whose annual turnover from activities relevant to the Federation ("Relevant Turnover") exceeds Euros 500,000,000 shall be A Members with full voting rights.
 - 2.2 Members whose Relevant Turnover from activities relevant to the Federation is less than Euros 500,000,000 but is more than Euros 100,000,000 shall be B Members with full voting rights.
 - 2.3 Members whose Relevant Turnover from activities relevant to the Federation is less than Euros 100,000,000 shall be C Members with full voting rights.
 - 2.4 Other categories of Members (non-voting) admitted by the Council under Article 74. Any such Members shall be Associated Members.
3. A Member shall be a Corporation or Firm or other legal entity (but not an individual) engaged in its own right and/or through Subsidiary Companies, Associated Companies or Related Firms in carrying on the business of the Profession which meets the criteria for membership, including any entity designated as a group Member under Article 7(a) of the Articles of Association.
4. An Associated Member shall be any Corporation, association, Firm or other legal entity whether incorporated or unincorporated (but not an individual) which is connected with or interested in the Profession but is not engaged in carrying on the business of the Profession and which is admitted by the Council to be an Associated Member pursuant to Article 74 of the Articles of Association. Such Associated Members shall be Members of the Federation but shall not be entitled to vote at meetings.

5. Regulations may from time to time be made by the Council for the establishment and admission of other categories of membership pursuant to Article 74 of the Articles of Association.

• Criteria for Membership •
(Applicable to Members but not to Associated Members)

6. The Member shall carry on the business of the Profession, that is to say the fields of business concerned with the assessment of relevant requirements as per normative documents such as standards, technical specifications, client specific requirements, codes of practice and regulations including but not limited to, sampling, testing, inspection, analysis, evaluation, verification, conformity assessment and certification, and shall have been active in this business for at least three years.
7. The Member shall be an independent third party organisation. No trader, broker, insurance company or other such user of the services of the Profession shall own the Member or have a controlling shareholding in it. The Member and its staff responsible for carrying out specific activities shall not be the designer, manufacturer, supplier, installer, purchaser, owner, user or maintainer of the material under consideration, nor shall they be the authorised representative of any of these parties. The Member and its staff shall not engage in any activities that may conflict with their independence of judgment and integrity in relation to the provision of technically objective services. The Member shall have a sufficient number of permanent personnel who are employed by or are under contract to the Member with the range of expertise to carry out its normal functions. The personnel of the Member shall be free from any commercial, financial or other pressures which may affect their judgement. The Member shall implement procedures to ensure that persons or organisations external to the Member cannot influence the results of inspections or other work carried out.
8. The Member shall be independent of ownership or control by any government, government agency or government controlled entity.

Note to Paragraphs 7 and 8

The Council shall exercise its discretion in determining the degree of ownership or control which is not compatible with IFIA membership, taking into account common ownership or directors, contractual arrangements, confusing common names, informal understandings or other means by which government or other interested parties may have the ability to influence the outcome of a service provided by a Member.

9. The Member shall confirm that no Director or Officer of the Member has been convicted of any offence related to the management of any company or its business.

10. The Member shall have adequate financial resources. The issued capital of a Member (being a corporation) shall be at least 25,000 Euros or equivalent thereof. Prior to being accepted into membership an applicant Member (being a corporation) shall provide a statement from its auditors and/or a competent authority which confirms to the reasonable satisfaction of the Director General that its net assets are not less than its issued capital. Members, whether corporations or not, shall be able to demonstrate cash flow solvency on demand by the Director General.
11. The Member shall have adequate professional liability insurance: The Member is expected to be able to show what factors have been taken into account when determining the necessary level of insurance. One of the factors that should be taken into account is the risk associated with the performance of the Member's activities. (IFIA has no responsibility whatsoever for ensuring that Members are insured.)
12. Members are required to comply with the requirements of ISO 9001 or a similar quality management system standard acceptable to IFIA such as ISO/IEC 17020 – "General criteria for the operation of various types of bodies performing inspection" or ISO/IEC 17025 "General criteria for the operation of testing laboratories". Compliance with ISO 9001 shall be demonstrated by a certificate issued by a certification body accredited by a signatory to the International Accreditation Forum Multi-Lateral Agreement (IAF-MLA). Compliance with ISO/IEC 17020 or ISO/IEC 17025 shall be demonstrated by an accreditation document issued by an accreditation body which is a signatory to either the IAF-MLA or the International Laboratory Accreditation Co-operation Arrangement (ILAC MRA). The geographical coverage of the certified quality management system should cover the Member's predominant permanent service units. Exceptions may be made for small units. The scope of the certification or accreditation should cover all that part of the Member's business which falls within the fields of business set out at Paragraph 6 above. In exceptional cases it may be possible for the Member concerned to obtain an exemption to the foregoing on application to the Director General of IFIA. Upon decision of Council the loss or suspension of certification or accreditation may also lead to loss or suspension of membership of IFIA.
13. Members are required to comply with the IFIA Compliance Code and to ensure that the requirements of the Code are implemented throughout their Organisation. "Organisation" means the Member and the Member's Subsidiary Companies, and any corporations, firms or other bodies over which the Member has effective legal and/or management control, whether or not engaged in the Profession. Fields of business falling outside the Profession are included, in order to enhance and protect the reputation of the Profession as a whole, since they still fall under the control of the Member. Such fields of business are required to comply either with the Code or with any equivalent arrangements which apply to the relevant business and which cover, as a minimum, the IFIA Compliance Principles.

14. A subsidiary company or division of a larger group may only become a member of IFIA if all of that group's worldwide activities in the business sector(s) in which the entity that is the IFIA member operates are undertaken by, or under the control of, the subsidiary or division that constitutes the IFIA member. The group parent company (company X) may be required to provide IFIA with an undertaking on the following lines:

"Company X, in acknowledgment of the obligations as a member of the International Federation of Inspection Agencies (IFIA) of its subsidiary/division Y, undertakes that none of the activities performed by Y that fall under the coverage of its IFIA membership will be performed by X directly or through any other subsidiary or division of the X Group unless the activities are performed in compliance with all the requirements of the IFIA Compliance Code."

15. The staff responsible for the Member's professional activities shall have appropriate qualifications, training, experience and a satisfactory knowledge of the relevant requirements. They shall where appropriate have the ability to make professional judgements as to conformity with general or clients requirements and shall understand the significance of deviations found with regard to the normal use of the products/services or processes concerned.
16. The membership of all Committees of IFIA is open to all Members subject to compliance with any additional, sector specific, membership criteria that such Committees may from time to time establish. Such specific criteria are subject to the approval of Council.
17. Irrespective of membership of any IFIA Committee, all Members are required to implement fully any sector specific requirements of IFIA Committees if they are active in that sector.

18. **New Member Applicants**

In applying for membership in accordance with Paragraph 20 below a new applicant will need to demonstrate compliance with all of the foregoing requirements: this will normally involve a compliance audit to be carried out at the applicant's expense by auditors nominated by IFIA. The estimated audit fee will be payable in advance. In the case of Paragraph 13 above, applicants are required to fully implement the IFIA Compliance Code prior to being accepted into membership. Compliance must be demonstrated by an external audit report issued in accordance with the IFIA Compliance Code in respect of the Member's first full or part financial year of membership.

19. Existing Members

All Members shall confirm their ongoing compliance with the foregoing requirements on an annual basis by means of a signed declaration, supported by such documentary evidence of compliance as the Director General may reasonably request. In particular, the Director General may request a Member to provide a statement from auditors and/or competent authorities as referred to in paragraph 10 above, and may request evidence of the ultimate ownership of a Member in order to demonstrate compliance with Paragraphs 7 and 8 above. At the written reasoned request of the Director General or any two Members the Council may at its discretion cause to be carried out a compliance audit of any Member at that Member's expense by auditors nominated by IFIA. Nothing in this paragraph affects a Member's annual obligation to obtain an external audit report under the IFIA Compliance Code.

• Applications for Membership •

- 20.1 An applicant for new membership shall deliver to the Secretary a completed application form containing complete information relevant to the category of membership applied for and regarding all the criteria referred to in these Regulations. When returning the application form the applicant will be asked to pay a non returnable fee to cover the reasonable costs incurred by IFIA in processing the application.
- 20.2 The Secretary will acknowledge receipt of the application form. The Director General will review the application. Further documents or information may be called for.
- 20.3 Once the Director General is satisfied that sufficient information has been submitted, the Director General will arrange with the applicant for a compliance audit to be carried out by auditors nominated by IFIA. The purpose of such audit is limited to checking conformance with the criteria for membership and is not a financial audit. The audit will be carried out at the applicant's expense and the estimated audit cost will be payable in advance.
- 20.4 Upon completion of the audit and when the Director General is satisfied that all relevant information has been received, the Director General will, if the applicant so requests, submit the application to the Council for decision. That decision is in the complete discretion of the Council. The Director General or the Secretary will notify the applicant promptly of the Council's decision once that decision has been made.

• Applications for Associated Membership •

- 21 The Council at its discretion may admit to membership of IFIA as an Associated Member an applicant which is connected with or interested in the Profession but is not otherwise eligible to be a Member of IFIA. The Council shall admit such an applicant subject to such subscription and on such terms as the Council may from time determine.

• **Complaints Procedure** •

- 22 In the event that complaints arise in respect of the IFIA membership application process such complaints will be considered by reference to the IFIA Complaints and Disciplinary Procedures from time to time approved by the Council of IFIA.

• **Powers of Council** •

- 23 The Council may make, revoke or vary from time to time regulations and procedures as to the criteria for the admission, qualification, rights, privileges, subscriptions and suspension or termination of each or any category of member of the Federation.

End