

Petroleum and Petrochemical Bulletin

Letters of Credit and Requests for Changes to Documents

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Rev. 0**

IFIA member companies wish to make it known that the following issues relating to Letter of Credit transactions are of concern to the inspection industry.

- The expectation that an independent Certificate of Analysis will be issued based solely on Test Observation (formerly known as Witnessed Analysis)
- Requests for changes to documents

Parties to Letter of Credit transactions where an independent Certificate of Analysis is required should not expect to receive such a certificate based solely on Test Observation, without providing indemnities or other risk abatement remedies acceptable to the Member Companies. This is due to the limiting nature of the Test Observation process. For further information on this please see IFIA Technical Bulletin 06-01.

In the course of performing inspection services there are occasions when the inspection company is asked to make changes to reports to satisfy Letters of Credit. Many requests for changes result from the inclusion in a Letter of Credit of terminology no longer used in the inspection industry and also from the allocation of responsibility to inspection companies without their knowledge or consent.

While some of the requested changes appear harmless, many require the addition of statements that may not be true, may not be known, or make no sense whatsoever when entered on an inspection report. Requests for such changes create ethical concerns on the part of any inspection company offering standardized and impartial documentation.

The inspection company members of IFIA assist their customers as much as possible but they wish to advise that changing reports or certificates for Letter of Credit compliance is against their policies and will not be permitted except in very limited circumstances, e.g. where the change neither alters the actual facts of the case nor alters the truth or meaning of any statements contained in the reports or certificates. On this basis, they have instructed IFIA to advise interested parties that documentary requirements in their Letters of Credit should be reviewed in the light of current inspection industry practice.

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Revisions/Reaffirmations

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