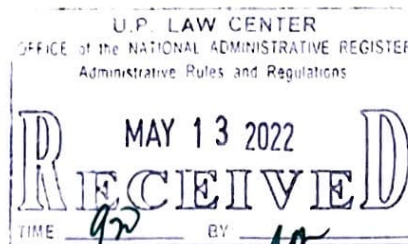




Republic of the Philippines
OFFICE OF THE SECRETARY
Elliptical Road, Diliman
1100 Quezon City

DEPARTMENT CIRCULAR

No. 03
Series of 2022



SUBJECT: GUIDELINES FOR THE ACCREDITATION OF CORE PARTICIPATORY GUARANTEE SYSTEM GROUPS (PGS) AND ITS OPERATION AS ORGANIC CERTIFYING BODIES (OCB)

WHEREAS, Republic Act No. 10068 (RA No. 10068), otherwise known as the Organic Agriculture Act of 2010, was enacted to provide for the development and promotion of organic agriculture in the Philippines and for other purposes;

WHEREAS, Republic Act No. 11511 (RA No. 11511), an Act amending the Organic Agriculture Act of 2010, reaffirms the policy of the State to promote, propagate, develop further and implement the practice of organic agriculture in the Philippines;

WHEREAS, RA No. 11511 amended several provisions of RA No. 10068 including the amendment of the existing Section 13 (Accreditation of OCB) designated and authorized the Bureau of Agriculture and Fisheries Standards (BAFS) to grant accreditation to organic certifying bodies or entities performing inspection and certification as part of the Participatory Guarantee System (PGS);

WHEREAS, the amended Section 13 (Accreditation of OCB) mandates the Bureau of Agriculture and Fisheries Standards (BAFS) to formulate the necessary rules and procedures in accreditation of organic certifying bodies (OCBs) performing third-party certification, or granting certification as part of the Participatory Guarantee System (PGS);

WHEREAS, pursuant to Department Circular No. 01, series of 2018 (Revised Guidelines for Official Accreditation of Organic Certifying Body) that provide the criteria, requirements, and guidelines for the official accreditation of OCBs providing third-party organic certification;

WHEREAS, item (d) of the new Section 14 (Participatory Guarantee System) of RA No. 10068 as amended by RA No. 11511, mandates the BAFS to provide the guidelines for accreditation;

WHEREAS, Section 14 (d) of RA No. 10068, as amended, further states that a registered core PGS group shall apply for accreditation with the BAFS; and authorizes BAFS to certify five (5) individual farms as a core PGS group for the purposes of accreditation;



WHEREAS, Rule 14.5 of the Implementing Rules and Regulations (IRR) of the new Section 14 (Participatory Guarantee System) of RA No. 10068 as amended by RA No. 11511 provides that the BAFS shall develop policies and guidelines for the accreditation of core PGS groups or any qualified entity applying for accreditation, and related activities such as certification procedure, issuance of certification decision, and handling of complaints and appeals relating to the operations of accredited core PGS groups; and

WHEREAS, Rule 14.6 of the IRR further mandates the BAFS to certify five (5) individual farms selected by the PGS group to form the core PGS group as a prerequisite for accreditation as OCB.

IN VIEW THEREOF, this Circular provides the *Guidelines for the Accreditation of Core Participatory Guarantee System (PGS) Groups and its Operation as Organic Certifying Bodies*.

Article I OBJECTIVES

This Circular provides the criteria, requirements, rules, and procedures for the accreditation of core Participatory Guarantee System (PGS) groups and its operation as organic certifying bodies (OCB), and ensure that accredited groups implement their Manual of Operations based on the Guidelines for the Operation of Participatory Guarantee System Groups as Organic Certifying Bodies in a competent, consistent, and impartial manner.

Article II SCOPE AND LIMITATION

This Circular covers applicants for accreditation and accredited core PGS groups providing certification services for organic crop production, animal production, aquaculture production, apiculture, processing of organic produce, special products (e.g., wild harvest, mushroom production), agricultural input production (i.e., organic soil amendments, organic biocontrol agents, seeds, and planting materials, feeds) in accordance with the applicable current PNS for organic agriculture.

This Circular does not include other OCB i.e., a national organization of local government units (LGU) initiating organic agriculture practices, or any private group or organization actually engaged in organic agriculture and operating in that municipality/city.

Article III
DEFINITION OF TERMS

Section 1. For the purposes of this Circular, the following terms are defined as follows:

- 1.1. *Accreditation* refers to the procedure by which a government agency having jurisdiction formally recognizes the competence of an Organic Certifying Body (OCB) to provide inspection and certification services.
- 1.2. *Accredited Core PGS Group* refers to a core PGS group which is authorized by the Bureau of Agriculture and Fisheries Standards of the DA to certify other farmers within their PGS Group.
- 1.3. *Appeal* refers to a request by the applicant, or entity for reconsideration of any adverse decision related to its desired certification or accreditation status. Adverse decisions include refusal to accept an application, refusal to proceed with an inspection or audit, changes in certification or accreditation scope, decisions to deny, suspend or revoke certification, and any other action that impedes the attainment of certification or accreditation.
- 1.4. *Applicant* refers to a core PGS group applying for accreditation with the BAFS that is registered with the municipality or city government where they are predominantly located.
- 1.5. *Assessment Team* refers to a team organized by the BAFS which is composed of BAFS personnel and member(s) of Technical Working Group (TWG) for Accreditation, responsible for the conduct of audits.
- 1.6. *Audit refers* to a systematic and functionally independent examination to determine whether activities and related results comply with prescribed protocols, standards, rules and regulations, and laws. An audit comprises office and witness audits.
 - 1.6.1. *Office Audit* refers to an audit relative to the thorough examination and verification of documentation and records of the OCB in the office where critical processes are being carried out.
 - 1.6.2. *Witness Audit* refers to an audit relative to field observation of the OCB carrying out peer review (inspection) within its scope of accreditation.
- 1.7. *Authorized Cause* means any cause justified due to a legitimate business reason or a requirement by law or regulation due to natural events such as flood, typhoons, earthquake, force majeure i.e. quarantine application due

to epidemic disease, mandatory lockdown in response to Covid19 pandemic, and other analogous cases.

- 1.8. *Certification* refers to a procedure by which a government agency or an OCB provides written or equivalent assurance that farms, or production and processing systems conform to relevant PNS on organic agriculture.
- 1.9. *Committee Review* refers to a process whereby a committee evaluates the submitted peer review reports and issues a decision on the issuance of the Participatory Organic Certificate.
- 1.10. *Complaint* refers to a written expression of dissatisfaction by any person or organization to the competent authority and/or accredited core PGS group relating to its activities and operations.
- 1.11. *Complaints and Appeals Committee* refers to a committee organized by BAFS to handle and evaluate the complaints or appeals received by BAFS and recommend decisions to BAFS Director for appropriate action in accordance with the relevant policies and guidelines.
- 1.12. *Core PGS Group* refers to the basic grouping unit in the PGS with at least five (5) farmers whose farms shall have a combination of crops and livestock (per item (y) of Rule 3.1 of the Implementing Rules and Regulations of the amended Organic Agriculture Act of 2010) production certified organic by BAFS within the municipality, city or province. It may add to its membership farmers from other sectors in agriculture, NGOs, people's organizations, buyers of organic agriculture products, suppliers of organic inputs, among others, who all live or operate within the province and regularly interact with the concerned PGS group.
- 1.13. *Correction and Corrective Action Plan* refers to a plan containing corrections and corrective actions to address the identified noncompliance (NC) within the agreed timeframe.
- 1.14. *Entity* refers to national organization of local government units (LGU) actually initiating or engaged in organic agriculture; or any private group or organization actually engaged in organic agriculture, as direct farm producer, as a promoter/advocate of the ways, methods and principles of organic agriculture, or as a marketer of organic agriculture produce.
- 1.15. *Farmer-member* refers to a small farmer/fisherfolk member of a registered PGS group.
- 1.16. *Infringement* refers to encroachment, breach, or violation of relevant laws, regulations, or contracts.

- 1.17. *Inspection* refers to the examination of farms, food and non-food products, food control systems, raw materials, processing, distribution, and retailing, including in-process and finished product testing, to verify that they conform to the requirements for being organic. Inspection includes the examination of the production and processing systems.
- 1.18. *Internal Standards* refers to the documents approved by consensus by the PGS group, which can be repeatedly used to provide rules, guidelines, or characteristics of a product, process, or production method fit for their purpose.
- 1.19. *Just Cause* means any reason that is legally acceptable or sufficient.
- 1.20. *Legal personality of the core PGS group* means recognition of the core PGS group as a "legal entity" with separate juridical personality, as such the group may own properties, transact, and commit acts expressly authorized by law through the Business Permit ("Mayor's Permit") from the municipality or city where the five (5) members of the PGS group is primarily located, or regularly interact or conduct business with.
- 1.21. *Manual of Operations* refers to the documented management systems and procedures of the PGS group.
- 1.22. *Noncompliance* refers to the non-fulfillment or failure to meet a requirement of applicable PNS relevant to organic agriculture and other regulatory requirements.
- 1.23. *Office* refers to a physical office where critical processes covered by the scope of accreditation are carried out, and records of the PGS group are kept. These critical processes include, but are not limited to, policy formulation, planning, contract review, review, appointment of peer reviews, committee reviews, and decision on the results of reviews. It may be owned, rented, or leased (or any other legally enforceable arrangement).
- 1.24. *Objective Evidence* refers to physical evidence supporting the existence or veracity of something and may be obtained through observation, measurement, test, or other means.
- 1.25. *Participatory Guarantee System (PGS)* refers to a locally focused quality assurance system which is developed and practiced by people actually engaged in organic agriculture. It is built on a foundation of trust, social network and knowledge exchange. It is used to certify producers and farmers as actual and active practitioners of organic agriculture.
- 1.26. *Participatory Organic Certificate (POC)* refers to a documentary proof that a member of the accredited core PGS group or a farmer member of the

accredited PGS group is compliant with the requirements, standards, and norms of organic farming/agriculture. It shall be issued by a government agency or by an authorized OCB, after the conduct of an investigation and certification activity on the application for certification by the accredited core PGS group. It shall have a validity of three (3) years.

- 1.27. *PGS Group* refers to a legal association or cooperative of registered farmer members and other stakeholders in a Participatory Guarantee System.
- 1.28. *Peer Review* refers to a process where farmer members assess the farming practices of their peers to verify compliance to the applicable PNS for organic agriculture, and the internal policies and procedures set by the PGS group.
- 1.29. *Predominantly located* means the municipality or city where the five (5) members of the core PGS group are primarily located or regularly interact or conduct business with.
- 1.30. *Revocation* refers to a complete withdrawal of the accreditation granted to a core PGS group.
- 1.31. *Suspension* refers to a temporary invalidation of the accreditation granted to a core PGS group.
- 1.32. *Surveillance* refers to a set of activities to monitor continued compliance of accredited core PGS groups with the requirements for accreditation. It may include office and witness audits.
- 1.33. *Verification* refers to a confirmation of the applicant's submitted objective evidence of the implemented corrections and corrective actions.

Article IV

PREREQUISITE FOR ACCREDITATION

Prior to the application for accreditation (Article V), five (5) individual farms from the same municipality or city or within a province as a core PGS group shall secure organic certification from BAFS, BAFS-accredited third-party OCB, or an accredited core PGS group in the province. The certification of the five (5) core PGS group members shall be treated and processed as one application.

Section 1. Requirements for Organic Certification. The PGS group shall submit the following documents to BAFS, either printed or electronic copies, whichever is applicable:

- 1.1. Endorsement letter from municipal/city local technical committee for organic agriculture (LTC OA). In the absence of municipal/city LTC OA,



endorsement may come from the office of local chief executive (LCE) or municipal/city council for agriculture;

NOTE The five (5) individual farms that will constitute the core PGS group must be duly endorsed by the PGS group to the municipal/city LTC OA or the LCE or the municipal/city council for agriculture.

- 1.2. Original or Duplicate copy of the Mayor's Permit where the PGS group is predominantly located or regularly interact or conduct business with, as proof of legal personality or as evidence of their operation;
- 1.3. Accomplished application form with signed declaration of the applicant expressing agreement to comply with the requirements and procedures for certification and to authorize the BAFS to enter their premises during the inspection(s);
- 1.4. Organic Management Plan (OMP) of each of the five (5) core PGS Group members; and
- 1.5. Farm profile and map of each of the five (5) core PGS Group members.

Section 2. **Procedure for Certification of the Core PGS Group Members.** The following outlines the certification process to be carried out by the BAFS. The step-by-step procedure including detailed description of requirements and issuances are indicated in Annex A (Table A.1).

2.1. **Application Review and Preparation for Inspection**

- 2.1.1. The BAFS through the Accreditation Section of Organic Agriculture Division (OAD-AS) shall pre-screen the submitted application documents and acknowledge receipt of complete documents within one (1) working day. A tracking number shall be assigned to an application for accreditation. The same number shall be used as the accreditation number indicated in the certificate(s) to be issued by BAFS once approved.
- 2.1.2. Processing of application shall commence only upon submission of complete documents. Incomplete application documents shall be immediately returned to the applicant. The applicant shall be informed of the deficiency in the accompanying requirements.
- 2.1.3. The OAD-AS shall conduct table review of the submitted application documents to check the veracity of the information provided.
- 2.1.4. The OAD-AS shall assign inspector(s) to carry out the inspection of the farms. The OAD-AS may tap members of the Technical Working Group (TWG) for Accreditation as inspectors, whenever necessary.

2.1.5. The assigned inspector(s) shall prepare an inspection plan and shall notify the applicant of the schedule of inspection at least three (3) working days prior to its actual conduct. The applicant(s) shall sign the conforme to confirm the inspection plan, which includes schedule and itinerary as a sign of agreement authorizing the inspector(s) to enter their premises.

2.2. Conduct of Inspection

2.2.1. The assigned inspector(s) shall conduct inspection to verify the compliance of the applicant with the applicable current PNS for organic agriculture. Samples, which may include, but not limited to, plants and plant parts, soil, water, and products, shall be collected for laboratory analysis, if deemed necessary.

2.2.2. A farmer-member(s) with a valid organic certificate issued by a BAFS-accredited third-party OCB or accredited core PGS group shall be subjected to assessments.

2.2.3. The results of the inspection shall be discussed with the applicant during the closing meeting. Annex D shall be followed for the classification of findings, timeline required to correct NC, and verification of implementation of the applicant's corrections and corrective action plan (CCAP).

2.2.3.1. If there are no major NC found, the applicant is recommended for certification subject to correction of any minor NC raised; and

2.2.3.2. When there is major NC raised, the applicant may be subjected to a follow-up visit depending on the nature of the NC.

2.2.4. The assigned inspector(s) shall submit the inspection report to the OAD-AS within five (5) working days after the conduct of inspection.

2.3. Monitoring of Implementation of Corrections and Corrective Action Plan (CCAP)

2.3.1. The applicant shall be required to submit a CCAP for all NC within five (5) working days after receipt of the results of the inspection.

2.3.2. The CCAP shall be reviewed and approved by the OAD-AS within three (3) working days upon submission.

2.3.3. The OAD-AS shall monitor the applicant's implementation of the CCAP until all NC are resolved. Verification of effective

implementation shall be done by the OAD-AS during the audit for accreditation, or during surveillance.

2.4. Decision-making and Granting of Participatory Organic Certificate

2.4.1. Upon closure of all NC within the agreed period, the OAD-AS shall deliberate on the recommendation(s) of the inspectors and shall likewise recommend a decision to the BAFS Director.

2.4.2. In case of positive recommendation, the OAD-AS shall submit to the BAFS Director the draft POC.

2.4.3. The POC with three (3) year validity shall be issued by BAFS. However, if the core PGS group fails to apply and be accredited as an OCB within a year, the POC shall be revoked.

2.5. All NC must be resolved within the agreed period. The applicant shall submit evidence of implementation (e.g., photo or video documentation, results of laboratory analysis, copies of relevant documents, etc.), to OAD-AS. Failure to resolve all NC within the agreed period, shall result in the denial of application. The applicant may reapply after one (1) month from the receipt of the denied status and shall follow the procedure from Step 1, except when an appeal has been filed and in-process.

Article V

REQUIREMENTS FOR APPLICATION FOR ACCREDITATION OF CORE PGS GROUPS

Section 1. The core PGS group must meet the following criteria to be accredited as an OCB.

1.1 Must be registered with the municipality or city where the PGS group is predominantly located;

1.2 Must have a physical office or place for transactions (e.g., farmer membership application process) or operations (e.g., meetings, assembly, repository of documented information, etc.);

1.3 Must have an established PGS Manual of Operations in accordance with the Guidelines for the Operation of Participatory Guarantee System (PGS) Groups as Organic Certifying Bodies;

1.4 Must have five (5) farmer-members certified by the BAFS or an accredited core PGS group as organic practitioners, to be known as the core PGS Group; and

1.5 Must comply with the findings and requirements based on audit results.

- Section 2. The core PGS group applying for accreditation shall submit to BAFS the following documents, either printed or electronic copies, whichever is applicable:
- 2.1. Accomplished application form with signed declaration of the PGS group's authorized representative expressing agreement to comply with the requirements and procedures for accreditation including audit;
 - 2.2. Copy of PGS group's Manual of Operations (internal standards, and documented management systems and procedures) as indicated in Clauses 5.2 and 5.3 of the Guidelines for the Operation of PGS Groups as Organic Certifying Bodies; and
 - 2.3. Original or Duplicate copy of POC(s) issued by BAFS or other accredited OCB or organic certificate(s) issued BAFS-accredited third-party OCB, if applicable.

Article VI

ACCREDITATION OF CORE PGS GROUPS AS ORGANIC CERTIFYING BODIES

The following outlines the accreditation process to be carried out by the BAFS. The step-by-step procedure including detailed description of requirements and issuances are indicated in Annex A (Table A.2).

Section 1. Application Review and Preparation for Audits

- 1.1 The OAD-AS shall pre-screen the submitted application documents and acknowledge receipt of complete documents within one (1) working day. A tracking number shall be assigned to an application for accreditation. The same number shall be used as the accreditation number indicated in the accreditation certificate to be issued by BAFS once approved.
- 1.2 Processing of application shall commence only upon submission of complete documents. Incomplete application documents shall be immediately returned to the applicant. The applicant shall be informed of the deficiency in the accompanying requirements
- 1.3 The OAD-AS shall conduct a table review within five (5) working days from the receipt of complete application document to evaluate and verify the veracity of the accomplished form and submitted documents. Upon completion of the table review, the OAD-AS shall notify the results to the applicant, together with the proposed schedule of audits.
- 1.4 The OAD-AS shall assign an Assessment Team to verify the effective implementation of the PGS group's Manual of Operations.

- 1.5 The OAD-AS shall tap members of the TWG for Accreditation to be part of the Assessment Team, whenever necessary.
- 1.6 The Assessment Team shall prepare an audit plan based on the final schedule and provide a copy to the applicant. The applicant shall sign the conforme to confirm the audit plan, which includes schedule and itinerary as a sign of agreement authorizing the Assessment Team to enter their premises.

Section 2. Conduct of Audits

- 2.1 During audit, the applicant shall be assessed based on their Manual of Operations, Guidelines for the Operation of Participatory Guarantee System (PGS) Groups as Organic Certifying Bodies, and this Circular.
- 2.2 The Assessment Team shall conduct the audit in two (2) stages:
 - 2.2.1 Stage 1 - Office Audit. An office audit shall be conducted to validate the information indicated in the submitted documents and verify the compliance of the applicant with the requirements of this Circular through interview of relevant personnel and validation of implementation of the PGS group's Manual of Operations; and
 - 2.2.2 Stage 2 - Witness Audit. Witness audits shall be carried out to at least five (5) peer reviewers or the square root of the total number of peer reviewers, whichever is higher. The witness audit shall be conducted to determine whether the submitted Manual of Operations are adhered to during the peer review process and verify the competence of the peer reviewers.
- 2.3 The Assessment Team shall inform the applicant with the results of the audit during the closing meeting. Annex E shall be followed for the classification of findings and the severity of NC arising from audits, timeline required to resolve NC, and verification of implementation of corrective action of applicant.
- 2.4 The assigned Assessment Team shall submit the audit report to the OAD-AS within five (5) working days after the audit(s).

Section 3. Monitoring of Implementation of Corrections and Corrective Action Plan (CCAP)

- 3.1 The OAD-AS shall require the applicant to submit CCAP within five (5) working days upon applicant's receipt of audit results. The OAD-AS shall review the proposed CCAP within three (3) working upon receipt.

- 3.2 If there is one major NC raised, the OAD-AS shall require the applicant to resolve all NC within the prescribed timeline prior to the evaluation of the audit report(s).
- 3.3 Should the concerned applicant fail to respond or refuse to comply, without justifiable cause(s) or authorized cause(s) within six (6) months from receipt of audit results, said application shall be considered withdrawn and shall be archived for a year before disposal.
- 3.4 The OAD-AS shall monitor the applicant's implementation of the CCAP until all NC are resolved. The OAD-AS may tap the assigned Audit Team to verify the effective implementation of the CCAP either through a follow-up audit, if necessary, or during surveillance (Section 5 of Article VI).
- 3.5 The Assessment Team shall submit the audit reports to the OAD-AS within five (5) working days after the conduct of the audits.

Section 4. Decision-making and Granting of Accreditation. In carrying out decision-making, the following procedures shall apply:

- 4.1 The OAD-AS shall deliberate on the recommendation(s) of the Assessment Team and shall likewise recommend a decision to the BAFS Director within five (5) working days upon the receipt of the audit report from the Audit Team.
- 4.2 In case of positive recommendation, the OAD-AS shall draft an Accreditation Certificate stating the approved scope(s), effectivity, validity of the accreditation, and accreditation number subject to the approval and signature of the BAFS Director.
- 4.3 In case of a denied application, the OAD-AS shall formally notify the applicant the result of the accreditation including all details and their right to appeal to BAFS to be signed by the Director of BAFS. The applicant may reapply after three (3) months from the receipt of the denied status and shall follow the procedure from Step 1, except when an appeal has been filed and in-process.
- 4.4 Upon approval of the accreditation, the BAFS through the OAD-AS shall issue the Accreditation Certificate and the POC to the PGS group and to the members of the core PGS group, respectively.
- 4.5 The validity of the Accreditation Certificate shall be five (5) years subject to annual surveillance audits. The POC shall be valid for three (3) years subject to annual monitoring. The renewal of the POC of the core PGS group members shall be processed in accordance with the certification procedure of the PGS group.

- 4.6 The accredited core PGS group shall have the responsibilities stipulated in Annex B (Responsibilities of the Accredited Core PGS Group).
- 4.7 The rights and privileges of an accredited core PGS Group shall not be transferable.

Section 5. Surveillance of Accredited Core PGS groups

- 5.1 The OAD-AS shall conduct surveillance (office and witness audits) to ensure continued compliance of PGS groups to the requirements of this Circular. Surveillance shall be conducted annually within the validity of the accreditation certificate.
- 5.2 The surveillance witness audits shall cover a representative range of peer reviewers of accredited core PGS groups (e.g., crop production, animal production, etc.). The number of peer reviewers subject to witness audit shall be determined by taking the square root of the total number of peer reviewers or five (5), whichever is higher.
- 5.3 The surveillance shall take into consideration the results of BAFS monitoring, complaints and appeals, and verification of effective implementation of the compliance to previous findings, if any.

Section 6. Change in Certification Scope

- 6.1 The accredited core PGS group may apply for any change either expansion or reduction of their approved scope(s) for certification. The application for expansion may be done anytime between the year after the issuance of their accreditation certificate and a year prior to the expiration of the certificate. The application for reduction of the approved scope may be done within the validity of their accreditation certificate, provided that there is no pending farmer applicant for that particular scope. The PGS group shall submit an application for change of scope including necessary documentation to substantiate the request to enable the BAFS for evaluation.
- 6.2 The expiry date of the additional scope(s) shall be identical to the expiry date of the original accreditation certificate. The original accreditation certificate including its Terms and Conditions and other relevant document(s) shall be revised accordingly.
- 6.3 The BAFS, upon evaluation or as a result of annual surveillance audit or audit for renewal, may decide to reduce the scope of the accreditation to exclude those which the PGS group has persistently failed to comply with based on the guidelines.

Section 7. Renewal of Accreditation

- 7.1 The accredited core PGS group shall apply for renewal of accreditation at least 40 working days prior to the expiration of its accreditation. The BAFS shall notify the accredited core PGS group to apply for renewal of accreditation. The application for renewal shall follow the procedure in accordance with Article VI, Sections 1 to 3 of this Circular.
- 7.2 Applications for renewal received at least 40 working days prior to the expiration of accreditation certificate shall be acted upon. If BAFS fails to issue an accreditation decision prior to the expiration, the validity of the accreditation certificate shall be deemed extended to 40 working days. If the applicant fails to comply within the prescribed time shall result in the denial of their renewal.
- 7.3 Applications for renewal received less than 40 working days prior to the expiration of the accreditation certificate and those with expired accreditation shall be treated as a new application and shall undergo the entire application process starting from the submission of documentary requirements.
- 7.4 The following criteria shall be considered when formulating decision on whether to grant or deny renewal of accreditation:
- 7.4.1 Results of audits, closure of major NC, and acceptable CCAP for minor NC; and
- 7.4.2 Results of surveillance and monitoring by BAFS.

Section 8. Use of 'Philippine PGS Guaranteed Organic' Mark

- 8.1 The OAD-AS shall issue the 'Philippine PGS Guaranteed Organic' mark to the accredited core PGS Group. The mark shall be provided by the accredited core PGS Group to its farmer members upon issuance of POC.
- 8.2 The 'Philippine PGS Guaranteed Organic' mark shall always accompany the PGS Group's logo and its accreditation number. It shall appear only on the POC and on the label of all PGS-guaranteed produce and products.
- 8.3 The specific details and guidelines on the use of the 'Philippine PGS Guaranteed Organic' mark shall be guided by Annex C (Guidelines for the use of the 'Philippine PGS Guaranteed Organic' mark).

Article VII
CONFIDENTIALITY AND IMPARTIALITY

- Section 1. All personnel involved in the accreditation of core PGS groups shall adhere to the principles of confidentiality and impartiality.
- Section 2. Information, except for those enumerated in Section 3 of this Article, shall not be released in any form to any party or to the public in general without written permission from the applicant or accredited core PGS group.
- Section 3. The following information may be made accessible to the public:
- a. Name, address and contact details of the accredited core PGS group;
 - b. Effectivity date and validity of the accreditation;
 - c. Approved scope of accreditation;
 - d. List of farmer-members, with approved scope, validity, products and area covered, and any other details that may be released for public access;
 - e. List of key stakeholders with their roles and responsibilities;
 - f. Any information to comply with a court order; and
 - g. Any information to comply with a request from the BAFS, investigating an alleged complaint.

Article VIII
PROCEDURE FOR SANCTIONS AND PENALTIES

- Section 1. **Sanctions and Penalties.** The following measures shall be invoked by BAFS based on the severity of offenses committed by the accredited core PGS group:
- 1.1 *Written warning* shall be issued by BAFS to the accredited core PGS group found to have granted a POC to a farmer-member established to be not compliant with any applicable current PNS for organic agriculture or with relevant regulations for the first time.
 - 1.2 *Suspension.* Accreditation is subject to suspension based on:
 - 1.2.1. Recurred issuance of a certification to any farmer-member established to be not compliant with any applicable current PNS for organic agriculture or with relevant regulations;
 - 1.2.2. Failure to comply with the current or revised accreditation guidelines for NC not corrected within agreed period;
 - 1.2.3. Failure to comply with the Terms and Conditions set forth for the accreditation for NC not corrected within agreed period;

- 1.2.4. Systemic failure of the implementation of the PGS group's Manual of Operations that demonstrates inability to comply with regulations;
- 1.2.5. Unjustified refusal of the accredited core PGS group to allow the Audit Team to access premises, facilities, records, and personnel;
- 1.2.6. Deliberate violation of the relevant regulations for organic agriculture;
- 1.2.7. Violation of the non-transferability of the accreditation certificate; and
- 1.2.8. Request for voluntary suspension of parts of its approved scope (or whole) of its accreditation.

1.3 *Revocation.* Accreditation is subject to revocation based on:

- 1.3.1. When membership of an accredited core PGS group becomes less than five (5) farmer-members for more than 25 working days;
- 1.3.2. Issuance of POC to multiple farmer members established to be not compliant with any applicable current PNS for organic agriculture or with relevant regulations;
- 1.3.3. Request for voluntary revocation of parts of its approved scope (or whole) of its accreditation;
- 1.3.4. Failure to effectively implement approved CCAP to lift a declared suspension;
- 1.3.5. At least two (2) consecutive suspensions in two (2) years within the validity of accreditation either based on the same or different reason/findings; and/or
- 1.3.6. Falsification or concealment of records.

Section 2. Procedure for Suspension and Revocation. If a validated report or complaint warrants a suspension or revocation of accreditation, the BAFS shall apply the following procedures:

- 2.1. The OAD-AS shall conduct an investigation on the reported case or complaint based on the evaluation of the Complaints and Appeals Committee (CAPCom).
- 2.2. The OAD-AS shall endorse the results of the investigation to the CAPCom, and the Committee shall recommend its decision to the BAFS Director.

- 2.3. The BAFS Director shall provide approval on the suspension or revocation of the accreditation certificate of the PGS group.
- 2.4. When notifying a PGS group that its accreditation has been suspended or revoked, it shall be provided with the following information:
- 2.4.1. Statement of reason/s for such decision; and
- 2.4.2. Right to pursue an appeal for reconsideration following the procedures as stated in Section 2 of Article IX (Complaints and Appeals) of this Circular.
- Section 3. The BAFS shall notify interested parties and the public of these final decisions and its status through suitable media.
- Section 4. The PGS group with suspended accreditation shall not be allowed to accept and process new or on-going application(s) for certification.
- Section 5. The suspension shall be for a maximum period of six (6) months from the date of its effectivity as determined by BAFS and may be lifted earlier upon closure of NC or reason for suspension. However, failure of the PGS group to undertake and implement appropriate compliance within the suspension period shall result in the revocation of their accreditation.
- Section 6. The revocation of accreditation certificate shall follow the due process for handling appeals and complaints.
- Section 7. The revocation shall be effective and executory immediately upon confirmation of receipt by the accredited core PGS group. The BAFS shall remove the PGS group and its members from the published list of accredited core PGS groups and shall immediately cancel the accreditation certificate of the group. The POC of farmer members issued prior to the revocation of the accreditation certificate issued by BAFS to a core PGS group shall continue to be valid until it expires. The certified farmer-members shall likewise be subjected to annual monitoring by BAFS to ensure their continued compliance.
- Section 8. In case of revoked accreditation due to Clause 1.3.2, all certified farmer members of the PGS group shall be subjected to monitoring of BAFS to verify their compliance with the applicable current PNS for organic agriculture. The POC of certified farmer member(s) found to be non-compliant shall be revoked. BAFS decision on the revocation of the POC shall be final and non-appealable.
- Section 9. In order to process requests for reconsideration of lapsed accreditation, the applicant must complete the application process as stipulated in Article VI (Accreditation of Core PGS Groups as Organic Certifying Bodies) of this Circular.

Article IX
COMPLAINTS AND APPEALS

Section 1. Complaints and Appeals Against the Accredited Core PGS Group

- 1.1. Complaints against the accredited core PGS group or any of its members shall be filed by the complainant to the Appeals Committee of the concerned accredited core PGS group.
- 1.2. Initial appeal on the decisions of the accredited core PGS group shall be filed by the appellant to the Appeals Committee of the concerned accredited core PGS group.
- 1.3. Should the concerned accredited core PGS group fail to address the filed complaints or appeals within 30 days upon receipt, these shall be elevated to the BAFS by appellant or complainant.
- 1.4. The decision of any of the accredited core PGS group shall be appealable to the BAFS. The BAFS shall rule on the appeal within 30 days from its receipt following the process on handling complaints and appeals based on the guidelines to be issued. Otherwise, the appealed decision shall be considered reversed.
- 1.5. All complaints and appeals relating to a certified entity or to the certification process (i.e., activities that determine the fulfilment of the certification requirements, including application, assessment, decision on certification, recertification, and use of certificates and logo) addressed to BAFS shall be acted upon following the relevant guidelines.

Section 2. Complaints and Appeals Towards the BAFS

- 2.1. Denial of Issuance, Suspension, and Revocation of Accreditation of PGS group.
 - 2.1.1 The accredited core PGS group or applicant may appeal to BAFS to reconsider decisions on suspension or revocation of accreditation or denied application. The appellant shall provide substantial documentation of the strategies to address the cause of the decision within fifteen (15) calendar days from receipt of notification.
 - 2.1.2 The BAFS through its CAPCom shall review and evaluate the appeal:
 - 2.1.2.1 within fifteen (15) working days upon receipt of the appeal for denied application; and
 - 2.1.2.2 within thirty (30) working days upon receipt of the appeal for suspension or revocation of accreditation.

- 2.1.3 The CAPCom shall notify the OAD-AS of the result of the evaluation of the appeal. If the CAPCom decides that the appeal merits further substantiation, the OAD-AS shall conduct follow up assessments or other necessary actions.
- 2.1.4 After the conduct of necessary actions, the CAPCom shall decide if the appeal merits reversal of the decision or not. The CAPCom shall submit its recommendation(s) to the BAFS Director.
- 2.1.4.1 If the CAPCom decides that the appeal is not meritorious, the Committee shall recommend the denial of the appeal with a statement of reasons and such decision shall be final and executory.
- 2.1.4.2 If the CAPCom decides that the appeal is meritorious, the Committee shall recommend the granting of accreditation, lifting of the suspension, or reversal of the revocation, accordingly.

Article X ANNEXES

All normative annexes of this Circular are required for compliance while informative annexes are provided as reference documents that may be adopted or improved by the group.

Article XI ADOPTION OF NEW AND REVISED RELEVANT PHILIPPINE NATIONAL STANDARDS

The accredited core PGS groups shall be given a transition period of one (1) year upon approval of new or revised PNS relevant to organic agriculture, to comply and revise its Manual of Operations. The BAFS shall be tasked to promote the new or revised PNS relevant to organic agriculture to facilitate the revision of PGS group's Manual of Operations. The previously issued PNS will still be effective during the remaining period of the transition period.

Article XII SEPARABILITY CLAUSE

If any provision of this Circular be declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

Article XIII
REPEALING CLAUSE

All prior issuances, rules, regulations, or part thereof which are inconsistent with this Circular are hereby revoked, amended, or modified accordingly.

Article XIV
AMENDMENTS

This Circular shall be reviewed as deemed necessary by the BAFS and/or the NOAB. Revisions shall take into consideration significant changes due to legal, market, or standards development.

Article XV
EFFECTIVITY

This Circular shall take effect after fifteen (15) days following the completion of its publication in the Official Gazette or a newspaper of general circulation, and its filing with the National Administrative Register of the University of the Philippines Law Center.

Done this 28th day of April 2022.

Approved by:



WILLIAM D. DAR, Ph.D.
Secretary

DEPARTMENT OF AGRICULTURE
In replying pls cite this code:
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Annex A
Step-by-step accreditation procedure

The step-by-step procedure for accreditation including the detailed description of requirements and issuances is indicated in the tables below:

Table A.1 -- Detailed certification procedure with pertinent issuances and timeline

Step	Applicant Steps	Agency Action	Maximum processing time	Remarks
1	Submit requirements to BAFS through OAD-AS (Refer to Section 2 of Article IV)	Pre-screen to check completeness of submitted document	One (1) working day upon receipt of application	
		Issue Acknowledgement Receipt/ Notice of Incomplete Submission of Requirements		
		Application Review (Table Review) to check veracity of submitted documents		Three (3) working days upon receipt of complete application document
Issue Notice of Application Review Result				
		Issue Inspection Plan (including proposed schedule)		
2	Sign or signify conforme in the inspection plan, allowing BAFS to conduct inspection	Prepare for conduct of inspection	Three (3) working days upon receipt of applicant's conforme	Includes administrative preparation
		Conduct of inspection (5 farmer members)		

Step	Applicant Steps	Agency Action	Maximum processing time	Remarks
			and distance between farms)	the closing meeting In case of observed NC, the applicant shall be required to submit a Correction and Corrective Action Plan (CCAP)
		Prepare Inspection Report	Five (5) working days after conduct of inspection	
3	Resolve findings during inspection (non-compliances)	Review Proposed CCAP	Three (3) working days upon receipt of proposed CCAP	
		Monitor Implementation of CCAP		Completion of this step is dependent on the timeline indicated in the approved CCAP
		Prepare Certification Report and Submission of Recommendation to the OAD	Three (3) working days upon after verification	
4	Receive Certification Decision	Issue signed POC or Notice of Certification Decision	Three (3) working days upon receipt of recommendation	

Table A.2 -- Detailed accreditation procedure with pertinent issuances and timeline

Step	Applicant Steps	Agency Action	Maximum processing time	Remarks
1	Submit requirements to BAFS through OAD-AS (Refer to Article V)	Pre-screen to check completeness of submitted document	One (1) working day upon receipt of application documents	Documents submitted electronically will be validated during office audit
		Issue Acknowledgement Receipt or Notice of Incomplete Submission of Requirements		
		Application Review (Table Review) to check veracity of submitted documents	Five (5) working days upon receipt of complete application documents	
		Issue Notice of Application Review Result		
		Issue Audit Plan (including proposed schedule)		
2	Sign or signify conforme in the audit plan, allowing BAFS to conduct audit	Prepare for conduct of audit	Three (3) working days	Includes administrative preparation
		Conduct of audits: <ul style="list-style-type: none"> • Stage 1: Office audit • Stage 2: Witness audits during five peer reviews of applicant 	Maximum of 15 audit days (excluding travel time)	Includes discussion of results of the audit during the closing meeting In case of observed NC, the applicant shall be required to submit a CCAP

Step	Applicant Steps	Agency Action	Maximum processing time	Remarks
		Submit Audit Report including recommendation	Five (5) working days after audit/verification	
3	Resolve findings during audits (non-compliances)	Review Proposed CCAP	Three (3) working days upon receipt of proposed CCAP	
		Monitor Implementation of CCAP		Completion of this step is dependent on the timeline indicated in the approved CCAP
		Submit Audit Report including recommendation	Five (5) working days after verification	
4	Receive Accreditation Decision	Issue signed Accreditation Certificate or Notice of Accreditation Decision	Three (3) working days upon receipt of signed recommendation	

Annex B
(Normative)

Responsibilities of Accredited Core PGS Groups (Terms and Conditions)

Accredited Core PGS groups are responsible for:

1. At the minimum, applying the following protocols in their operations, to wit:
 - 1.1 Develop or update, and implement their internal standards and procedures in accordance with the Guidelines for the Operation of Participatory Guarantee System (PGS) Groups as Organic Certifying Bodies;
 - 1.2 Ensure certified farmer-members comply with all requirements of the applicable current PNS and relevant regulatory requirements;
 - 1.3 Conduct peer reviews, and evaluation activities (e.g., annual on-site inspections) of approved scope(s) based on the PGS group's internal standards and procedures;
 - 1.4 Hear and address appeals of the farmer-members; and
 - 1.5 Submit their organization to inspection and monitoring activities of the BAFS (including observer/s), the Complaints and Appeals Committee, and the authorized personnel of the DA Regional Field Offices. This shall include the annual surveillance through witness audits of the BAFS.
2. Issuance of relevant documents/notifications:
 - 2.1 Notices of noncompliance, suspension or withdrawal the Participatory Organic Certificates of farmer-members that do not comply with the applicable rules and relevant PNS for organic agriculture;
 - 2.2 Certification decisions, including CCAP and certificates in compliance with the PNS related to organic agriculture and these guidelines; and
 - 2.3 Certificate to certified farmer-members that is valid for three (3) years.
3. Reporting of any of the following to the BAFS not later than twenty (20) working days after any change(s):
 - 3.1 Documentation required in the Guidelines for the Operation of Participatory Guarantee System (PGS) Groups as Organic Certifying Bodies
 - 3.1.1 Adverse actions against certified farmer-members, including notices of noncompliance, proposed suspension, proposed cancellation, suspension, or denial of certification or membership;
 - 3.1.2 Annual and/or other periodic reports of the activities undertaken.

Annex C
(Normative)

Guidelines for the Use of the 'Philippines PGS Guaranteed Organic' Mark

1. Basic design elements and colors

- 1.1. Figure C.1 shows that the basic design elements of the certification mark are the following:
- i. "GUARANTEED" arched text,
 - ii. NOAP Logo,
 - iii. "Organic" script,
 - iv. "PHILIPPINES" text,
 - v. Rounded-corner portrait rectangular stroke, horizontally divided into two colors (royal blue and crimson red), similar to the two band colors of the PH Flag,
 - vi. Accreditation Number provided by BAFS, and
 - vii. The text elements purposely extended beyond the rectangle to show organic is beyond the box or 'unconventional or different.
- 1.2. The three allowable designs of the mark with respect to the color are shown in Figure C.2.

Figure C.1. The 'Philippine PGS Guaranteed Organic' Mark.



Figure C.2 Three allowed variations of the 'Philippine PGS Guaranteed Organic' Mark.



NOTE The Philippine PGS Guaranteed Organic Mark is different from the PGS group's logo. The PGS group's logo varies from one group to another.

2. Basic rules

- 2.1 The Accredited PGS group should only use the official artwork of the 'Philippine PGS Guaranteed Organic' mark for management systems that correspond with the scope to which the PGS group is accredited.
- 2.2 Always use the 'PGS Guaranteed Organic' Mark with the Accreditation Number in conjunction with PGS group's logo.
- 2.3 The 'Philippine PGS Guaranteed Organic' mark shall only be used on:
 - 2.3.1 PGS certified products, including primary packaging or adhesive tape; and
 - 2.3.2 Product documentation (e.g., technical specifications and catalogue pages)
- 2.4 To avoid misinterpretation, the 'Philippine PGS guaranteed Organic' mark shall appear only on organic certificates and on the label of all PGS certified produce and products.

3. Mark misuse

- 3.1. The original artwork of the 'Philippine PGS Guaranteed Organic' mark should be used in a way that preserves the integrity of the mark. Therefore, the mark should not be altered or used in an improper way. The following are considered as alteration of the mark:
 - 3.1.1. Modifying the font, color, or shape of the inscription or any element of the mark;

- 3.1.2. Separating or distorting the inscription or any element of the mark;
- 3.1.3. Altering the relative size of any element of the mark;
- 3.1.4. Placing the mark on a visually distracting background or on pictures;
- 3.1.5. Placing the mark inside any kind of box or other shape that may mistakenly be considered part of the mark;
- 3.1.6. Printing at less than 100 percent ink density (opacity); and
- 3.1.7. Using the mark as a decorative element – for example, repeating it or portions of it like a wallpaper pattern.

4. Distance and size of the mark

- 4.1. The 'Philippine PGS Guaranteed Organic' mark may be enlarged or reduced maintaining its height-width proportion.
- 4.2. The size of the 'Philippine PGS Guaranteed Organic' mark should be in proportion to the size of the PGS group's logo.
- 4.3. The 'Philippine PGS Guaranteed Organic' mark may be reduced in size at which numbers and letters are legible.
- 4.4. The 'Philippine PGS Guaranteed Organic' mark may be used in such a way that:
 - 4.4.1. It is the same height as the PGS group's logo.
 - 4.4.2. The space between the mark and the PGS group's logo is the same height as the mark.
 - 4.4.3. Even when the PGS group's logo is very small, the 'Philippine PGS Guaranteed Organic' must be in size at which numbers and letters are legible.
 - 4.4.4. The maximum size of the mark should be such that it does not predominate over the size of the PGS group's logo. It is recommended that the size of the certification mark should not exceed one-third or one-half the height of the surface to which it is affixed.

Annex D
(Normative)

Classification of findings, timeline for implementation of Correction and Corrective Action Plan (CCAP) of Applicant for Certification

1. Purpose

This document provides clarification and guidance on the classification of findings and the severity of noncompliances (NC) arising from certification, defines the timeline required to correct NC, and verification of implementation of CCAP by applicant.

2. Definitions

According to its severity, all findings shall be classified as *major, minor, or observation* in line with the definitions below:

2.1. **Major Noncompliance** - a systemic failure or significant deficiency - either as a single incident or a combination of a number of similar incidents - in part of the quality system, or the lack of implementation of such a part, governed by applicable standards. A number of NC identified against one requirement of the relevant standards can represent a total breakdown of the system and thus be considered a major NC.

2.2. **Minor Noncompliance** - an isolated or sporadic lapse in the content or implementation of the standards, procedures, or records which could reasonably lead to a systemic failure or significant deficiency of the system if not corrected. If a pattern of minor NC occurs over successive assessments, it may represent a systemic failure or significant deficiency of the system and a major NC shall be issued.

NOTE Three or more minor noncompliances associated with the same requirement or issue could demonstrate a systemic failure⁽¹⁾ and thus constitute a major non-compliance

2.3. **Observation** - an area of concern, a process, document or activity that is currently compliant but may, if not improved, result in a non-compliant system or service.

3. Classification of Inspection Findings

Inspection findings that could lead to Major or Minor Noncompliance, include but not limited to situations/circumstances provided in Table D.1.

Table D.1. Inspection findings that could lead to a Major or Minor NC and some examples.

Classification	Situation/Example(s)	Timeline
Major Noncompliance	<ul style="list-style-type: none"> ● Systemic failure of the organic management plan (OMP) or implementation that demonstrates inability to comply with the applicable current PNS for OA and regulations ● No procedure or mechanism implemented that are deemed integral as defined by the OMP ● Failure to resolve, successfully or within a prescribed time period, a previously issued noncompliance. 	Shall be fully addressed and compliance demonstrated within a period up to 3 months.
Minor Noncompliance	<ul style="list-style-type: none"> ● Noncompliant practice/s that indicate no systemic failure in the OMP or implementation of PGS but are significant enough in nature or in scope to require a compliance plan to ensure and verify compliance. ● There is a documented procedure but there are lapses in its implementation. ● Inconsistencies and/or omissions in records that indicate no systemic failure in the OMP but are significant enough in nature or in scope to require a CCAP to ensure and verify compliance. 	Shall be fully addressed and compliance demonstrated within a period up to 12 months

Annex E
(Normative)

Classification of findings, timeline for implementation of Correction and Corrective Action Plan (CCAP) by PGS Groups

1. Purpose

This document provides clarification and guidance on the classification of findings and the severity of potential noncompliance (NC) arising from audits, defines the timeline required to resolve NC, and verification of implementation of CCAP by PGS groups.

2. Definitions

According to its severity, all findings shall be classified as major, minor, or observation in line with the definitions below:

2.1. Major Noncompliance

A systemic failure or significant deficiency - either as a single incident or a combination of a number of similar incidents - in part of the quality system, or the lack of implementation of such a part, governed by applicable standards. A number of NC identified against one requirement of the relevant standards can represent a total breakdown of the system and thus be considered a major NC.

2.2. Minor Noncompliance

An isolated or sporadic lapse in the content or implementation of procedures or records which could reasonably lead to a systemic failure or significant deficiency of the system if not corrected. If a pattern of minor NC occurs over successive assessments, it may represent a systemic failure or significant deficiency of the system and a major NC shall be issued.

NOTE Three or more minor noncompliances associated with the same requirement or issue could demonstrate a systemic failure ^[1] and thus constitute a major non-compliance

2.3. Observation

An area of concern, a process, document or activity that is currently compliant but may, if not improved, result in a non-compliant system or service.

3. Classification of Audit Findings

Audit findings that could lead to Major or Minor Noncompliance, include but not limited to situations/circumstances provided in Table E.1

Table E.1. Audit findings that could lead to a Major or Minor NC and some examples.

Major Noncompliance	Minor Noncompliance
Systemic failure of the operations manual or implementation that demonstrates inability to comply with the regulations.	Noncompliant practice/s that indicate no systemic failure in the PGS operations manual or implementation of PGS but are significant enough in nature or in scope to require a compliance plan to ensure and verify compliance.
No procedure or mechanism implemented that are deemed integral as defined by the Guidelines for the Operation of Participatory Guarantee System (PGS) Groups as Organic Certifying Bodies	There is a documented procedure but there are lapses in its implementation
Failure to resolve, successfully or within a prescribed time period, a previously issued noncompliance.	Inconsistencies and/or omissions in records that indicate no systemic failure in the PGS operations manual or implementation of PGS but are significant enough in nature or in scope to require a CCAP to ensure and verify compliance.
<p>Examples: <i>Violation of the regulations of the accreditation</i> <i>No procedure for handling complaints and appeals from its members</i> <i>No documentation available to provide attestation of certification</i></p>	<p>Examples: <i>Failure to submit necessary documents requested by BAFS within the given period of time.</i> <i>Appointments of personnel involved in certification are unsigned.</i> <i>Failure to observe BAFS rules on the use of the "Philippine PGS Guaranteed Organic" mark.</i></p>

4. Timeline for Implementation of CCAP by PGS groups

- 4.1. Timelines for PGS groups to implement appropriate action(s) and demonstrate compliance become effective after the closing meeting has been held and the Summary of Audit Findings or Non-Compliance List has been acknowledged by the group.
- 4.2. Minor NC shall be fully addressed and compliance demonstrated within a period up to 12 months.

- 4.3. Major NC identified during surveillance or re-accreditation assessments shall be fully addressed and compliance demonstrated within a period up to 3 months.
- 4.4. In cases where the audit team concludes that the major NC(s) identified creates a risk to the integrity of the accreditation, the PGS group may be required to implement action(s) to correct and demonstrate compliance immediately or within a period of less than 3 months.
- 4.5. The implementation of the actions might take more time depending on the potential severity of the NC. In such cases, the CCAP must include any temporary measures or controls necessary to mitigate the risk until the permanent corrective action is implemented.
- 4.6. A Major NC is automatically raised (on management responsibility & resource allocation) in the event of non-completion of the approved CCAP.
- 4.7. Major NC identified in an initial assessment, or during an evaluation process for extension of accreditation scope, preclude certification being recommended or the scope from being extended.
- 4.8. Extensions of timelines beyond 12 months for minor NC and 3 months for major NC can only be granted by the BAFS Director.
- 4.9. An OCB may only appeal an NC raised by the audit team within fifteen (15) days of receiving the Audit Report of the audit team.
- 4.10. Observations raised by the audit team do not have defined timelines for action but the PGS group may undertake the necessary action to prevent an NC being identified in future.

5. Verification of Effective Corrective Action, and Closing of NC

- 5.1. The dates by which NC must be fully addressed shall be recorded by the audit team.
- 5.2. The PGS group shall implement a CCAP (including determining the root cause of the NC, corrective action, and identifying and addressing any other resultant NC) within the specified timeline. The PGS group shall also verify the effectiveness of that corrective action prior to provide BAFS with evidence to demonstrate compliance.
- 5.3. The BAFS shall be responsible for verifying that the corrective action was adequate to address the NC. The appropriate verification method by the BAFS depends on the severity and the nature of the NC and may range from a desk review to an on-site audit.

- 5.4. The BAFS shall only approve the correction of the NC if the PGS group demonstrates compliance with the recognition requirement through the full implementation of appropriate corrective actions.
- 5.5. Observation/s may, if not improved, result in a noncompliant system or service. Thus, observations which are not addressed by the PGS group may lead to an NC being identified in the future.
- 5.6. Upon closure of an NC, or Observation, the relevant Noncompliance List shall be updated to indicate the new status.

6. Consequences of Continuing Noncompliance by a PGS group

- 6.1. If an applicant PGS group does not undertake corrective action to address a major NC within the prescribed period, the Audit report shall be forwarded BAFS Director for decision on accreditation.
- 6.2. If an accredited PGS group does not implement satisfactory corrective action(s) to correct a major NC and demonstrate compliance within the required time frame, the BAFS may start suspension procedures.
- 6.3. If an accredited PGS group does not perform satisfactory corrective action for a minor NC within the required time, the NC will be upgraded to a major NC. Extensions of timeline for compliance can only be granted by the BAFS.

[1] A "systemic failure" would be one or more violations that show an operation is unable to comply with the BAFS regulations