**IECEx Secretariat**

**Title: Guide for IECEx Certification Bodies – Acquisitions and Withdrawals of Certification Bodies - Requirements**

**To: IECEx Certification Bodies**



# **Overview**

An IECEx Body (Certification Body (ExCB) or Testing Laboratory (ExTL)) may wish to change their organisation and this may include an acquisition of another IECEx Body (Body) for strategic reasons or the withdrawal from IECEx Scheme/s. When changes such as acquisitions or withdrawal occur, it is important that the Body understand their obligations as per IECEx Rules and ISO/IEC 17065, ISO/IEC 17025 and ISO/IEC 17024.

The intent of this guide is to assist Bodies when an acquisition or withdrawal occur. This guide provides key considerations on how to best proceed ensuring minimal disruption to all of its key stakeholders, while at the same time seamlessly transitioning its business in an efficient manner while adhering to IECEx Rules.

This guide is provided to assist Bodies in considering their liabilities and obligations within and external to IECEx matters. Any issues relating to legalities should be reviewed by the Bodies legal departments, especially in regards to liabilities or due diligence in assuming responsibilities of another Body’s Certificate of Conformity (CoC), Quality Assessment Reports (QAR), IECEx Test Reports (ExTR), IECEx Facility Assessment Reports (FAR),

Certificate of Personnel Competence (CoPC) and IECEx Personnel Competence Assessment Report (PCAR).

*Review Note: Although this document was initially put together for the02 Scheme, we will see the same issues apply across other IECEx Schemes, so this document could be used by all Schemes.*

## **Notification of Key Stakeholders**

Should significant business changes occur to a Body, including acquisitions and withdrawals from an IECEx Scheme, it is the responsibility of the Body to notify the IECEx Secretariat via the IECEx Member Body to outline the changes. This step is essential so that the Secretariat can assist the Body through the process while at the same ensuring that the IECEx Rules are adhered to and that the impact on key stakeholders are managed through this process.

Key stakeholders need to informed in advance as per *‘IECEx 02 Rules - 11.1.13 Withdrawal’*

*An ExCB wishing to withdraw from the IECEx Certified Equipment Scheme shall notify the Secretary of the ExMC via the Member Body of the IECEx Certified Equipment Scheme at least one year in advance and shall indicate the reason for the withdrawal and the date from which the withdrawal will become effective.*

The IECEx Secretariat will assist with Body through this ‘Management of Change’ process. In the IECEx Certified Equipment Scheme this assistance may include:

* Notification to manufacturers that ALL CoC may need to Cancelled, or implement a

transition plan of CoCs, ExTRs and QARs to a new entity that will accept full ownership and responsibility to manage the withdrawal of the Body and its obligations under IECEx 02 Rules of Procedure and that the new entity complies with the Conditions of Acceptance as per Section 11.1.1 and 11.2.1 and 11.3.1 of IECEx 02 Rules of Procedure.

* IECEx Secretariat to assist in the transition of withdrawing the Body in the most efficient and timely manner, however the IECEx Secretariat can only assist the process if IECEx 02 Rules are strictly adhered to and a sufficient notice period (one year) is provided so the transition minimizes impacts to its customers and key stakeholders.

A similar approach would be applied to the Certificates and Reports in the other IECEx Schemes.

# **Certification Body responsibility as a result of withdrawal, merger or acquisition in the IECEx 02 Scheme**

A key consideration for an ExCB in the IECEx 02 Scheme is its commitment to its customers and the maintenance of QARs and Certificates. Manufacturers have made an investment in obtaining product certification under the IECEx 02 Scheme, therefore IECEx 02 Rules of Procedure ensures that there are obligations by the ExCB to its customers safeguarding that products and manufacturing facilities can continue to produce and sell IECEx Certified products during the transition phase of acquisitions or withdrawal from the IECEx Scheme.

At the same time there must be a clear path for the ExCB who may wish to withdraw their Conformity Assessment business or alternatively acquire another ExCB that allows it to meet its business objectives. If one year’s notice is not provided, then only the IECEx Executive may grant permission to the ExCB allowing the IECEx Secretariat permission to assist the transition process based on the proposed changes and its proposal to help facilitate this transition, ensuring minimal disruption to its customers and other key stakeholders.

Scenarios have been provided as part of this Guide to assist ExCBs to understand and appreciate the process required. The scenarios provided do not cover all potential situations, but are simply a guide that will assist the ExCB and also outline the key considerations and obligations associated with each scenario.

A similar approach would be applied to ExTLs and the Certificates and Reports in the other IECEx Schemes.

# **3.0 Example Scenarios**

The following scenarios are provided as examples to assist ExCBs to understand their obligations for each of the example scenarios. By understanding the process, this will allow ExCBs to plan its internal Management of Change, while at the same time ensuring the impacts to its key stakeholders are minimized.

## **3.1 Scenario 1 – Acquisition between Certification Bodies**

ExCB#01 has acquired ExCB#02 and Personnel, facilities, equipment, contracts, accreditations, and all operational preconditions have been directly transferred to ExCB#01. There will be no changes in the commitment and procedures as ExCB#01 is presently an ExCB in the IECEx 02 Equipment Scheme. ExCB#01 must commit to continue to maintain IECEx Certificates, QARs and ExTRs issued by ExCB#02. This would be the least complicated scenario.

Process Steps:

1. Formal notification in writing to the IECEx Secretariat via the IECEx Member Body as per IECEx 02 Rules of Procedure from ExCB#01 and ExCB#02 (ideally one year prior to the change), so proposed changes can be reviewed by the Secretariat ensuring the business transition fully complies with IECEx Rules and the transition occurs efficiently. This may include:
   1. Acceptance of ExCB#01 to continue to manage ExCB#02 issued Certificates, ExTRs and QARs
   2. ExCB#01 continued acceptance of existing EXCB#02 certificate number marking on products (IECEx ZZZ YY.XXXX)
   3. Secretariat recommendation would also include that EXCB#01 continue with EXCB#02 identifier as Certificates originally issued by EXCB#02 are up-issued to reflect technical changes to products, and updates to new editions of standards etc, but without the need for manufacturers to change marking or product series.
   4. Secretariat recommendation is that new (Issue 0) IECEx Certificates to be issued only by EXCB#01 and only with an EXCB#01 identifier.
   5. Secretariat to assign change of ExCB#2 access passwords to enable only EXCB#01 to up-issue Certificates originally issued by EXCB#02.
   6. EXCB#01 confirms to the Secretariat that this is a change in name and ownership ONLY and that it does not affect the current capabilities of the organisation (personnel, equipment, procedures, for certification activities, location etc.) as an IECEx ExCB and as IECEx Testing Laboratory. If this is the case, then this may avoid the need for extra formal assessments before the next scheduled mid-term and reassessment assessments.
   7. If, alternatively there is potential impact on current capabilities there may be a need to conduct some form of assessment so EXCB#01 can detail the nature and extent of any changes to current capabilities and so that the Secretariat can determine if any additional assessments are required.
   8. EXCB#01 to advise the Secretariat of any changes to Accreditations.
   9. Change of name, Identifier and profile on the IECEx website and On-Line Certification site with updated contact details, email, phone numbers, logo etc.
   10. Secretariat to confirm profile for EXCB#02 details so Certificates can be up-issued and managed by EXCB#01 but maintaining EXCB#02 historic CoCs, ExTRs and QARs.
2. EXCB#01 is to provide the Secretariat that as a new organisation using the previous resources and equipment for EXCB#02 agrees to abide by IECEx 02 Rules of Procedure and that EXCB#01 will be responsible for maintaining IECEx Certificates issued with EXCB#02 identifiers.
3. EXCB#02 to notify the IECEx Member Body of the changes as a result of the change by EXCB#01 including that EXCB#01 and EXCB#02 are in communication with the IECEx Secretariat so an efficient transition can occur. Should the Member Body have any special conditions or objections, then EXCB#01 should communicate these to the Secretariat so they are on file.

## **3.2 Scenario 2A – ExCB wishes Withdrawal from IECEx Schemes (Scheme(s))**

EXCB#01 has made a business decision to withdraw its conformity assessment business. EXCB#01 does not have an interested party to purchase and assume the conformity assessment responsibilities as per IECEx 02 Rules of Procedure.

Action Items:

1. Notification in writing to IECEx Secretariat (minimal 1 year) and Member Body so notifications to key stakeholders can be managed properly to allow planning by the ExCB and its customers and other key stakeholders can be managed during this process. This will include:
   1. Notification by EXCB#1 to all of its customers that it plans to cease its conformity assessment business and will no longer be supporting its QARs, CoCs and ExTRs that it has previously issued, after the designated closure date.
   2. EXCB#1 to organise a transition of all QARs, CoCs and ExTRs with an alternate ExCB who may wish to take this business on or to inform its clients that after the designated closure date, all of the CoCs issued to its customers will need to be managed before the QAR validity dates have expired. The option will exist for the customer to engage other ExCBs to take over re-assessment and surveillance audits, however ALL CoCs would need to be issued as new to the valid QAR refer OD 250 for guidance on this process. The new CoC may reference the previous CoC issued by the EXCB#1. However, the new CoC will require the customer having to change marking on products to display the new CoC number issue 0. ExCB#1 CoCs would be Cancelled with the standard Cancellation note that would include: **This Cancellation does NOT affect products manufactured or installed prior to this date and such equipment is not subject to withdrawal from the market or from the installation site.**

**The Cancellation note may also contain reference to the new ExCB CoC issue 0.**

1. In the situation where the CoCs are required to be Cancelled, refer to OD 209. EXCB#1 is provide a list off all CoCs that are required to be Cancelled including the Cancellation date to the IECEx Secretariat.
2. EXCB#1 is to make available to customer all ExTRs so these can be provided to new ExCB#2 who will undertake CoC management.

Note: In this scenario, ExCB#2 will not be assuming responsibility for the maintenance of CoCs issued by ExCB#1. It is the preference of the IECEx system that this scenario does not occur and that ExCB#1 is able to find another ExCB to take on responsibility for the maintenance of CoCs issued by ExCB#1 (refer Scenario 2B).

## **3.3 Scenario 2B – ExCB#1 wishes to withdraw from IECEx Scheme and have an interested party (new applicant ExCB) to purchase the business, but the new applicant ExCB is NOT accepted as an ExCB in the IECEx 02 Equipment Scheme.**

1. Notification in writing by ExCB#1 to IECEx Secretariat (minimum 1 year’s notice) so proposed changes can be reviewed and the most efficient transition may occur. This will include:
   1. Application by new applicant ExCB to become an ExCB is submitted to the IECEx Secretariat and Member Body as per IECEx 02
   2. Assessment of new ExCB ensuring that they have qualified personnel, procedures and processes to quality as an ExCB
   3. Assessment results with recommendation by the Secretariat will be provided as an ExMC document for voting by the IECEx Members
   4. If the voting results are successful, then the new ExCB may proceed with taking over responsibility for the CoCs of EXCB#01.
2. EXCB#02 confirms to the Secretariat that as a new organisation using the previous resources and equipment from EXCB#01 agrees to abide by IECEx 02 Rules of Procedure and that EXCB#02 will be responsible for maintaining IECEx Certificates issued with EXCB#01 identifiers.
3. EXCB#01 to notify the IECEx Member Body of the changes as a result of the acquisition by EXCB#02 including that the EXCB#01 and EXCB#02 are in communication with the IECEx Secretariat so an efficient transition can occur.

### **3.1.1 ExTL Considerations**

The ExTL may or may not be included in the proposed merger and acquisition. The following guide provides considerations for each scenario.

If an ExTL previously associated with ExCB#1 will not be acquired by EXCB#02 but wishes to remain as an operating ExTL under the IECEx 02 Scheme, they need to establish a formal association with another ExCB. Refer to section 11.2 of IECEx 02 Rules of Procedure. Alternatively, they may become an ATF under an existing ExTL.

If an ExTL previously associated with ExCB#1 will be acquired by EXCB#02 they need to establish a formal association with ExCB#2. Refer to section 11.2 of IECEx 02 Rules of Procedure.

If ExCB#1 withdraws from the IECEx system and the ExTL previously associated with ExCB#1 wishes to remain as an operating ExTL under the IECEx 02 Scheme, they need to establish a formal association with another ExCB. Refer to section 11.2 of IECEx 02 Rules of Procedure.