

AGREEMENT FOR THE GRANT OF PSQCA LICENCE
(FOR USE BY THE FOREIGN MANUFACTURER)

(On Rs. 100=00 non judicial stamp paper, to be attested by Notary Public)

Agreement Reference Number _____

(to be filled by the office)

THE AGREEMENT MADE AT PSQCA, KARACHI ON THIS DAY OF..... MONTH YEAR, BETWEEN Pakistan Standards and Quality Control Authority, a body corporate established under the PSQCA Act VI of 1996, having its Head Office at Block 77, Pakistan Secretariat, Saddar, Karachi (hereinafter referred to as "PSQCA", which expression shall include its administrators, assigns, agents and or representatives) of the one part,

AND

M/s....., a foreign manufacturer having its office at and office in Pakistan at (*hereinafter referred to as the "manufacturer" which expression shall include its heirs, and or assigns*) through Mr./Ms..... (*its Managing Director/ Proprietor/ partner or authorized signatory, as the case may be*) :

WHEREAS PSQCA has been established by the PSQCA Act VI of 1996 for harmonious development of activities of Standardization, Quality Certification, Marking of goods and for matters connected therewith or incidental thereto as per PSQCA Act, 1996 and Pakistan Conformity Assessment Rules, 2011.

AND WHEREAS in furtherance of its functions as provided in the PSQCA Act, 1996 and PCA Rules 2011 to provide service to foreign manufacturers, PSQCA is empowered to grant national certification.

AND WHEREAS under PSQCA Act, 1996, Pakistan Conformity Assessment Rules and Rules, Regulation framed therunder, PSQCA is authorized to grant CM licence for use by the foreign manufacturers with respect to the conformance of product in accordance to the relevant Pakistan Standards. The grant of such licence is subject to the manufacturer complying with the norms laid down by PSQCA from time to time;

AND WHEREAS the foreign manufacturer has applied to PSQCA for grant of CM licence under PSQCA Act, 1996 and PSQCA after satisfying itself about the capability of the manufacturer and that it satisfies the requirement as laid down in PSQCA Act 1996 and Pakistan Conformity Assessment Rules 2011 and Regulations, has decided to GRANT to the manufacturer CM licence on the terms and condition hereinafter mentioned.

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Now the parties hereto agree as under:

1. DEFINITIONS:

In this Agreement, unless the context otherwise requires,

- 1.1. "CM LICENCE" means a document issued by PSQCA in the format as prescribed in Pakistan Conformity Assessment Rules 2011.
- 1.2. "Licencee" means the manufacturer to whom a licence has been granted under the PSQCA Act 1996 and PCA Rules 2011.
- 1.3. "Manufacturer" means a business enterprise engaged in the manufacture of any article or process, situated at a stated location, that carries out and controls such stages in the manufacture, assessment, handling or storage of a product, that enables it to accept responsibility for continued compliance of the product with the relevant Pakistan Standard and undertakes all obligations in that connection, with regard to grant of PSQCA licence.
- 1.4. "Recognized laboratory" means any laboratory in Pakistan or abroad recognized by PSQCA for the purpose of testing conformance of product to the relevant Pakistan Standards.
- 1.5. "Product" means the products to be marked with PSQCA Standard Mark.
- 1.6. "Authorized Representative" means the person, located in Pakistan, nominated and appointed by the manufacturer for the purpose of compliance with terms and conditions of this Agreement and provisions of PSQCA Act, 1996, Pakistan Conformity Assessment Rules 2011 and Rules and Regulations framed thereunder and shall be deemed to be a person having ultimate control over the affairs of the manufacturer for the purposes of this Agreement.

2. FEES

- 2.1. In consideration of PSQCA granting licence to the manufacturer and the manufacturer agreeing to abide by the provisions of this Agreement and the various obligations and responsibilities and PSQCA performing its part as Certifying Authority under PSQCA Act, 1996, the manufacturer shall pay to PSQCA the necessary fees, as applicable from time to time, under the scheme like minimum marking fees, Grant / Renewal application fees, annual licence fees and marking fees calculated on actual production marked and any other fees as prescribed. The manufacturer also agrees to bear all expenses, including testing charges, cost in connection with the visits of PSQCA officials, its Agents/Nominee for surveillance or other charges to its office or manufacturing premises, as the case may be as decided by PSQCA in its absolute discretion.

3. NOMINATION

- 3.1. The manufacturer shall nominate and appoint a person as his Authorized Representative located in Pakistan after obtaining all necessary permission / sanctions, if required, under the Pakistan laws, whose nomination shall be duly communicated to PSQCA in writing. The authorized representative may either be in-charge or a senior officer of the Pakistan

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office or a legally appointed agent of the manufacturer in Pakistan. The nomination by the manufacturer shall be given on letterhead in the format prescribed by PSQCA from time to time.

- 3.2. In case the authorized representative nominated by the foreign manufacturer is a foreign national, who is not amenable to Pakistan Laws/Act, then the foreign manufacturer will also have to furnish a bank guarantee of US \$ 10,000 (Ten thousand dollars) in favor of PSQCA, so that in case of default, the amount can be adjusted accordingly. The authority to take decision in such cases will rest with PSQCA.
- 3.3. The form containing nomination of the Authorized representative by the manufacturer either at the time of execution of this Agreement or at the time of fresh appointment during the continuation of this Agreement, shall also contain the signature of such Authorized Representative who has been so appointed, in token of his/her consent and confirmation of the terms and conditions of this Agreement and to signify his willingness for compliance of various provision of Agreement/ PSQCA Act, 1996, Pakistan Conformity Assessment rules, 2011 and Regulations.
- 3.4. The Authorized Representative appointed shall be deemed to be a person having ultimate control over the affairs of manufacturer in Pakistan for the purposes of this Agreement and as such shall be responsible for all due compliance of terms and conditions of this Agreement as also provisions of PSQCA Act, 1996, Pakistan Conformity Assessment Rules, 2011 and Regulations made thereunder and shall continue to be so till another Authorized Representative is appointed in his place in accordance with the terms of the Agreement.
- 3.5. The Authorized Representative shall remain bound to comply/adhere to the terms and conditions of this Agreement, the provisions of PSQCA Act, 1996, Pakistan Conformity Assessment Rules, 2011 and Regulations thereunder for and on behalf of manufacturer and thus shall be responsible and liable for all the acts and omissions and violations of the terms of the agreement/ provisions of PSQCA Act, 1996, Pakistan Conformity Assessment Rules, 2011 and Regulations framed thereunder, in his personal capacity.
- 3.6. The manufacturer shall ensure that his Authorized Representative does not remain un-represented at any time during the continuation of this Agreement, on account of any reasons whatsoever and shall further ensure that the Authorized Representative already nominated is substituted or another Authorized Representative is freshly nominated in the records of PSQCA well before the incumbent Authorized Representative is relieved of his obligations/ liabilities under this Agreement. It is understood and agreed between the parties that this clause is an essence of this Agreement and any violation of this clause shall authorize PSQCA to terminate/ determine this Agreement forthwith, whether formally determined or terminated or not, and take steps for cancellation of his licence. It is agreed that such determination will be without prejudice to the other rights of PSQCA available to it under the PSQCA Act, 1996, Pakistan Conformity Assessment Rules, 2011 and other Rules, Regulations framed thereunder or under this Agreement.
- 3.7. PSQCA shall be entitled to terminate this Agreement forthwith in the event it is revealed to or comes to the knowledge of PSQCA that the manufacturer has failed to comply with the terms of this clause except that in the event of death of Authorized Representative during the continuation of this Agreement, the manufacturer shall be entitled to nominate a new

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Authorized Representative within twenty one days of the date of death of such Authorized Representative failing which provisions of clause 3.6 shall apply mutatis-mutandis.

- 3.8. It is agreed that in the event the Authorized Representative nominated by manufacturer severs his/her relationship/ connection with the manufacturer and no new Authorized Representative is appointed in his place in terms of clause 3.6 hereinabove by manufacturer before earlier Authorized Representative being discharged/ relieved well within the time, then notwithstanding determination/ termination of this Agreement, the earlier Authorized Representative shall remain liable and responsible for all the acts / omissions or violations of the terms and conditions of this Agreement or provisions of PSQCA Act, 1996, Pakistan Conformity Assessment Rules, 2011 and Rules, Regulations framed thereunder, committed till the time of his resignation / discharge.
- 3.9. The word “manufacturer” and “licencee” mentioned in the agreement shall mean and include “Authorized Representative” unless it is repugnant to the context.

4. ACCEPTANCE OF TERMS AND CONDITIONS

- 4.1. The licensee and his/her Authorized Agent agree to abide by all the terms and conditions of grant of licence as per the PSQCA Act, 1996, Pakistan Conformity Assessment Rules, 2011 and Rules, Regulations Act made thereunder.

5. PRE REQUISITE FOR PS MARK LICENSE

The following conditions shall be fulfilled:

- 5.1. Presence of Pakistan Standard for the product.
- 5.2. Applicant shall be liable to abide all requirements mentioned in guidance documents.
- 5.3. The product produced by the organization complies with the provision mentioned in relevant Pakistan Standard, provisions of the PSQCA Act, 1996, Pakistan Conformity Assessment Rules, 2011 and Rules, Regulations framed thereunder.
- 5.4. The organization shall present a separate application for each product to obtain a License to use the mark, and it shall fill in the forms prepared by PSQCA for the purpose and present the required document, evidence required to be submitted along with application form, followed by the organization for products requiring the mark.
- 5.5. The organization has sufficient testing facilities, and the organization shall have tests performed at one of the accredited labs to ensure maintaining of the quality of the product in accordance with the quality assurance and quality control system.
- 5.6. The organization has a department responsible for quality control of its production.
- 5.7. The organization makes available to PSQCA (or its representative) all necessary facilities when performing inspection and provides all the required information, including the methods of application of quality control applied by it and the actual records of production and quality, if requested at any time.

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5.8. The organization pledges that all information is correct.

6. GRANT OF LICENCE TO USE THE PS MARK

6.1. If the organization meets the pre requisite for PS mark License detailed in section (5) of this document, PSQCA (or its representative) shall carry out the examination of the application.

6.2. On receipt of the application for the licence and its inclosures by the authority the same shall be examined and short coming (if any) shall be informed to the applicant.

6.3. INITIAL INSPECTION

6.3.1. Visit the organization to carry out the initial inspection.

6.3.2. Examining the organization's records concerning production and quality, and reviewing test results and ensuring its compliance with its own quality manual.

6.3.3. Drawing samples from products requiring PS mark and performing necessary tests to them.

6.3.4. Examining the records of measurement and testing instruments and checking their accuracy, calibration and maintenance.

6.3.5. Preparing a report on the inspection carried out, including test results and a recommendation whether to grant the organization a License or not then to inform the organization during 60 days from the date of issuing the test results report.

6.3.6. PSQCA shall be committed to treat the information of the organization in complete confidentiality.

6.4. Granting of the License to use the PS mark: An organization is granted a License to use the PS mark, initially for one year by decision from the Director General of PSQCA.

6.5. Periodic inspection: Inspection of the organization licensed to use the mark shall be performed by PSQCA (or its representative) at intervals throughout the year. Inspection which should include the same steps of the initial inspection will be carried at least twice a year. PSQCA shall have the right to take random samples from products, containing the PS mark from the market directly for testing to ensure that they are conforming to relevant Pakistan Standard.

7. TESTING OF SAMPLE

7.1. All testing shall be carried out at PSQCA laboratory or accredited laboratory recognised by PSQCA.

8. RIGHTS AND RESPONSIBILITIES OF THE FOREIGN MANUFACTURER AS PSQCA LICENCEE

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- 8.1. Rights and responsibilities of the licensee are described underneath and shall abide by the same.
- 8.2. The licensee is authorized to display in its premises, vehicle or any other publicity material that it is a holder of CM licence granted by PSQCA under PSQCA Act, 1996, Pakistan Conformity Assessment Rules, 2011 and Rules, Regulations framed thereunder.
- 8.3. The licensee to abide by the following:
- 8.3.1. To comply with any instruction that may be given by PSQCA from time to time, consistent with the grant of PSQCA licence and under this Agreement.
- 8.3.2. To inform / take approval of PSQCA, if there is any change in the name of the organization, status, factory premises, management (including that of the Authorized Representative), process, quality control personnel, design and brand name on which
- 8.3.3. To nominate Authorized Pakistani Representative to deal with all matters concerning PSQCA certification.
- 8.3.4. To implement the provision mentioned in Pakistan Standard(s) and maintain records of inspection and testing accordingly. Such records shall be made available to PSQCA representative as and when asked for.
- 8.3.5. To familiarize with the provisions of the PSQCA Act, 1996, Pakistan Conformity Assessment Rules, 2011 and Rules, Regulations framed thereunder, as amended from time to time.
- 8.3.6. To supply one copy each of the Pakistan Standard(s) and the provision mentioned in Pakistan Standard and licence to all concerned employees in the factory, especially to the personnel of Quality Control Department.
- 8.3.7. To obtain prior permission of concerned authorities (where necessary) so that the sample(s) can be made available to PSQCA as and when necessary. To inform PSQCA in case of difficulties, if any.
- 8.3.8. To submit statement of quantity produced and marked with the Pakistan Standard Mark of PSQCA, including marking fee calculations thereof and accordingly, PAY MARKING FEE to PSQCA every quarter for the preceding three months.
- 8.3.9. To apply for renewal with applicable fee, two months in advance of the expiry of the validity period of the licence. While applying, complete details shall be provided in the Performance Sheet / Proforma for production details and enclosed with the renewal application form.
- 8.3.10. To comply with all instruction of PSQCA immediately, especially when a licence is under stop marking or is cancelled / deferred / expired; otherwise, it may invite legal action(s) under the PSQCA Act, 1996.

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- 8.3.11. To get prior approval from PSQCA for the design, proportions and manner of applying the Pakistan Standard Mark. To seek assistance of PSQCA, as and when necessary. To inform PSQCA when initiating marking for the FIRST time.
- 8.3.12. To inform PSQCA when stopping production and stopping/resuming marking. To indicate stock of PS marked goods at the time of stopping production / marking.
- 8.3.13. To apply the PS Mark only on those varieties, type, grade and batches / lots of production, which conform to the relevant Pakistan Standard and covered within the scope of the PSQCA licence.
- 8.3.14. Not to apply PS Mark on products produced on behalf of other agencies, unless prior permission has been obtained from PSQCA. Also not to apply PS Mark on products produced on behalf of manufacturer by other agencies.
- 8.3.15. Do not apply PS Mark on material produced prior to grant of licence except with the permission of PSQCA.
- 8.3.16. To repair / replace the product, in case of a complaint within the warranty period or one year, whichever is more.
- 8.3.17. To extend all possible cooperation to PSQCA Inspecting Officers in checking the production line and all relevant records, testing in the factory premises and drawing of samples for independent testing during the periodic inspection visits.
- 8.3.18. To get the test equipment calibrated periodically as per frequency specified / advised by PSQCA and maintain records for the same.
- 8.3.19. Do not test / open the counter sample sealed by the PSQCA Inspecting Officer without prior permission of PSQCA.
- 8.3.20. To pack the sample drawn by PSQCA Inspecting Officer properly to avoid damage during transit and ensure that the PSQCA Inspecting Officer's seal is intact.
- 8.3.21. To dispatch the sample(s) expeditiously to the independent laboratory along with the test request, as instructed by the PSQCA Inspecting Officer, under intimation to concerned office of PSQCA.
- 8.3.22. To convey acceptance of rate of Marking Fee, as revised from time to time, promptly to PSQCA.

9. VALIDITY OF PSQCA LICENCE

9.1. The PSQCA licence granted to the manufacturer shall only be with respect to (mention product) as per PS (mention PS Number).

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10. PERIOD OF VALIDITY OF PSQCA LICENCE / RENEWAL THEREOF

- 10.1. PSQCA licence shall be valid for the period as expressly stated therein, and shall automatically expire thereafter, unless specifically renewed in writing by PSQCA for any further period.
- 10.2. In case an application for renewal of the licence is submitted by the licensee to PSQCA (during the period of validity of the licence, or within such period from the date of expiry thereof as may be stipulated by PSQCA, PSQCA may consider renewal thereof for a further period as deemed proper by it.
- 10.3. During the pendency of consideration of such application for renewal, the licensee shall not make any claim regarding holding of such licence, and nor shall be entitled to mark the article or process upon expiry of the licence, till such time that the licence is renewed by PSQCA in writing for any further period.

11. CANCELLATION OF LICENCE

11.1. Licence may be cancelled by PSQCA in any one of the following circumstances:

- 11.1.1. The licence has been used by the licensee for purposes other than for which it has been granted;
- 11.1.2. The licensee has suppressed material facts and / or information at the time of grant of licence or subsequent thereto;
- 11.1.3. The product(s) for which the licence is granted is found as not-conforming to the Pakistan Standard(s);
- 11.1.4. The licensee had used the Pakistan Standard Mark (PS Mark) in respect of a process, which does not come up to the related Pakistan Standard or Standards;
- 11.1.5. The licensee does any act inconsistent with the provisions laid down in the PSQCA Act, 1996, Pakistan Conformity Assessment Rules, 2011 and Rules, Regulations framed thereunder or provision of this agreement;
- 11.1.6. The licensee violates or commits breach of any terms and/or condition of the PSQCA Licence, whether by way of an act or omission.

11.2. The licensee shall use CM licence for marking the product(s) covered in this agreement only for exporting to Pakistan.

12. SUSPENSION OF LICENCE / STOP MARKING ON PRODUCT

- 12.1. A licence may be suspended by PSQCA on request from the licensee, if the operation(s) in his premises can no longer be carried due to:
- 12.1.1. Natural calamities such as flood, fire, earthquake, etc.
- 12.1.2. A lock-out declared by the licensee's management.

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12.1.3. Closure of operations directed by a competent court or statutory authority.

12.2. If, at any time, PSQCA has sufficient evidence that the product carrying the PS Mark may not be conforming to the Pakistan Standard or Standards, the licensee shall be directed to Stop Marking of such product. Such evidence is not limited to, but may include one or more of the following situations:

12.2.1. Non-conformance of products established after factory or independent testing.

12.2.2. Non-implementation of the provision(s) of the Pakistan Standard or Standards.

12.2.3. Non-availability of testing personnel and no alternate arrangements made.

12.2.4. Significant modification(s) in the manufacturing process, plant, machinery etc without prior evaluation and approval of the Authority.

12.2.5. Relocation of plant and machinery.

12.2.6. Prolonged closure of factory.

12.2.7. Marking non-conforming products.

12.2.8. Marking on products other than those included in the licence.

13. TERMINATION OF AGREEMENT

13.1. The licensee violates or commits breach of any term or condition of this Agreement, whether by way of an act of commission or omission.

13.2. The licensee can also terminate the Agreement by giving 30 days notice in writing addressed to Director Conformity Assessment by registered post or by a notice delivered by hand.

13.3. On determination / termination of the Agreement, the manufacturer shall forthwith cease to apply Pakistan Standard Mark on any of the product manufactured / marketed by manufacturer and shall immediately furnish a statement to PSQCA indicating the details of the product so manufactured / marked prior to termination of Agreement or CM licence and shall comply with all directions that may be conveyed by PSQCA. Manufacturer shall also clear all liabilities, financial or otherwise, towards PSQCA and shall return the original licence document along with all endorsement to PSQCA.

14. INDEMNITY

14.1. The manufacturer/licence agrees and fully understands that under the foreign manufacturers licence scheme of PSQCA under which the licence is granted, the responsibility of conformance to the relevant Pakistan Standard(s) with respect to products is solely on the manufacturer.

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- 14.2. The manufacturer, therefore, agrees to indemnify PSQCA for all claims / damages arising out of its manufacturing of products and / or non-conformance to the relevant Pakistan Standards that may be made against PSQCA by any person / firm / company / association / consumer, etc.
- 14.3. The manufacturer agrees and undertakes to execute an Indemnity Bond, in a language acceptable to PSQCA, as per the prescribed format, indemnifying and holding PSQCA harmless in respect of any third party claims with regard to conformance of products manufactured by the manufacturer on which the Pakistan Standard Mark (PS Mark) is marked, to the relevant Pakistan Standard.
- 14.4. The manufacturer further undertakes to furnish a security deposit USD 10,000 (US Dollars Ten Thousand only) in favour of PSQCA, for due compliance of the provisions of the PSQCA Act, 1996, Pakistan Conformity Assessment Rules, 2011 and Rules, Regulations framed thereunder, and the terms and conditions of the licence. In case of any breach thereof, PSQCA shall be entitled to use security deposit for compensation at its sole discretion, whose decision in that regard shall be final and binding on the manufacturer.

11. AGREEMENT PERIOD

- 14.5. This agreement comes into force from the date of grant of licence and till the period for which it is granted / renewed and until withdrawn / terminated or cancelled by either party in accordance with the terms of this agreement.

15. JURISDICTION

- 15.1. If any dispute arises between the parties to the agreement including interpretation/ meaning of any of clauses the Agreement or respective rights / obligations / liabilities of the parties to this Agreement, courts at Karachi, Pakistan alone shall have the jurisdiction to entertain, try and resolve such claims / rights / disputes.
- 15.2. For the purposes of this Agreement, the address of the manufacturer shall be its / his / her address given in Pakistan hereinabove, while that of PSQCA shall be as mentioned hereinabove. All notices / letters addressed to and or delivered at the said address shall be deemed to have been issued / delivered to the respective parties.

IN WITNESS WHERE OF THE PARTIES HERETO AFFIX THEIR SIGNATURES:

In the presence of:

1. Manufacturer

2. PSQCA

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