
CODE OF PRACTICE

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Revision no. 5

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**CODE OF PRACTICE FOR THE CERTIFICATION OF THE
MANUFACTURERS**

PT MUTUAGUNG LESTARI
Registered Overseas Certifying Bodies
(ROCB)

CODE OF PRACTICE
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CODE OF PRACTICE**1. INTRODUCTION**

Facing the globalization era, which has been affected on 2003, the Manufacturer must have high competitiveness struggle to stay alive. This competitiveness struggle also will be useful to eliminate **trade barrier** concerning each country has a tendency to protect their trading self-interest through technical or standard requirement including quality.

Many ways can be taken to gain high competitiveness struggle, one of them is improving human resources quality, which hopefully will affect in increasing and maintaining of the production quality stability. Besides that, to gain high competitiveness struggle also can be performed by having efforts of reaching product quality recognition through product certification program.

Concerning the matters above, PT Mutuagung Lestari (MAL), has already compiled a guidance book to accelerate the JAS certification program.

MAL is an independent body in the inspection, testing, certification and calibration services which had been designated as a Registered Overseas Certifying Body (ROCB) by Japanese Government (Ministry of Agriculture, Forestry and Fisheries – MAFF) on March 10, 2006.

On March 1, 2006, the Revision of JAS Law was enforced. Based on the revised JAS Law, MAL applied to MAFF as a Registered Overseas Certifying Body (ROCB) and started its certification on March 10, 2006 with the scope of Plywood, Laminated Veneer Lumber, Structural Laminated Veneer Lumber, Glued Laminated Timber, Flooring and Finger Jointed Structural Lumber for Wood Framing Construction.

The book contained the certification procedure from initial contact until after certification process. The book was made based on:

- 1.1 Technical Criteria for the Certification of the Manufacturer concerning such as Plywood; Flooring; Laminated Veneer Lumber; Structural Laminated Veneer Lumber; Glued Laminated Timber and Finger Jointed Structural Lumber for Wood Framing Platform Construction products.
- 1.2 Japanese Agricultural Standard concerning such Plywood; Flooring; Laminated Veneer Lumber; Structural Laminated Veneer Lumber; Glued Laminated Timber and Finger Jointed Structural Lumber for Wood Framing Platform Construction products.
- 1.3 Inspection Methods for the Agricultural and Forest Products Plywood; Flooring; Laminated Veneer Lumber; Structural Laminated Veneer Lumber; Glued Laminated Timber and Finger Jointed Structural Lumber for Wood Framing Platform Construction products.
- 1.4 Forms and Methods for the Labeling of the Grade Plywood; Flooring; Laminated Veneer Lumber; Structural Laminated Veneer Lumber; Glued Laminated Timber and Finger Jointed Structural Lumber for Wood Framing Platform Construction products.
- 1.5 Beside part 1.1 to 1.5 above, All the relevant provisions of the JAS Law the Enforcement Regulations Ministry Ordinances and the like shall be applied to.
- 1.6 ISO/IEC 17065 : Conformity Assessment – Requirements For Bodies Certifying Product, Process and Services
- 1.7 Pedoman 401 – 2000 of the Indonesian National Standardization Body i.e. PERSYARATAN

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UMUM LEMBAGA SERTIFIKASI PRODUK.

- 1.8 JAS Quality Manual PT. Mutuagung Lestari
- 1.9 ISO 10011 – 1, 2, and 3 : Guidelines for Auditing Quality System
- 1.10 ISO 9000 – 2015 : Quality Vocabulary

With the appearance of this book hopefully can give an illustration and guidance concerning to JAS certification code of practice which will affect the better cooperation between MAL and manufacturers.

2. SCOPE OF THE CERTIFICATION

Each manufacturer is allowed to use MAL services for JAS product certification of the following product categories:

NO.	Product Category	Item of Products	
1	Plywood (P)	P1-LF	Plywood for general use
		P1-LF-IR	Plywood for general use with insect control treatment
		P2	Concrete form plywood
		P2-LF	Concrete form plywood, low formaldehyde emission
		P3	Concrete form plywood, surface finished
		P3-LF	Concrete form plywood, surface finished, low formaldehyde
		P4	Structural plywood
		P4-IR	Structural plywood with insect control treatment
		P4-LF	Structural plywood, low formaldehyde emission
		P5-LF	Natural wood decorative plywood
		P5-LF-IR	Natural wood decorative plywood with insect control treatment
		P6-LF	Specially processed decorative plywood
		P6-LF-A	Specially processed decorative plywood with insect control treatment
2	Flooring (F)	F1	Flooring board
		F1-LF	Flooring board (Low formaldehyde)
		F1-IR	Flooring board with insect control treatment
		F1-LF-IR	Flooring board with insect control treatment (Low formaldehyde)
		F2	Flooring block
		F2-LF	Flooring block (Low formaldehyde)
		F2-IR	Flooring block with insect control treatment
		F2-LF-IR	Flooring block with insect control treatment (Low formaldehyde)
		F3	Mosaic parquet
		F3-IR	Mosaic parquet with insect control treatment
		F3-LF-IR	Mosaic parquet with insect control treatment (Low formaldehyde)
		F7-LF	Composite flooring
		F7-LF-IR	Composite flooring with insect control treatment

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NO.	Product Category	Item of Products	
3	Laminated Veneer (L)	L1-LF	Laminated veneer lumber
		L1-LF-IR	Laminated veneer lumber with insect control
		L2	Structural Laminated veneer lumber
		L2-LF	Structural Laminated veneer lumber, low formaldehyde emission
4	Glued Laminated Timber (G)	G1-LF	Glued laminated timber for fixtures
		G1-LF	Glued laminated timber for fixtures, low formaldehyde emission
		G2-LF	Decorative glued laminated timber for fixture
		G3-LF	Decorative Glued laminated timber for post
5	Finger Jointed Structural Lumber for Wood Frame Platform Construction (J)	J1	Finger Jointed Structural Lumber for Wood Frame Platform Construction for vertical framing
		J1-LF	Finger Jointed Structural Lumber for Wood Frame Platform Construction for vertical framing, Low formaldehyde emission
		J2	A Group FJSL
		J2-LF	A Group FJSL, Low formaldehyde emission
		J3	B Group FJSL
		J3-LF	B Group FJSL, Low formaldehyde emission

3. ADDRESSES and WORKING HOUR

MAL has 3 (three) office stations and laboratories, located in Depok – Jawa Barat and Samarinda – East Kalimantan. Besides that, MAL also had established an office station outside Indonesia, in Kagoshima (Japan). Any inquiry on the application registration would be submitted to President Director in head office.

The addresses of MAL's offices and laboratories are as follows:

HEAD OFFICE & LABORATORY

Jln. Raya Bogor KM 33.5 No. 19
 Cimanggis, Depok 16953 – Jawa Barat
 The Republic of Indonesia
 Phone : +62 21 8740202
 Fax : +62 21 87740745 – 46
 E-mail : inspector@mutucertification.com
webmaster@mutucertification.com

JAPAN LAISON OFFICE

222-1, Akaogi-Tatsuko-Cho,
 Oshima-Gun, Kagoshima-Ken
 894-0411, JAPAN
 Phone / Fax. : +81 997-62-3150
 E-mail : taiki_otono@yahoo.co.jp

CODE OF PRACTICE**SAMARINDA LABORATORY**

Jl. Teuku Umar No. 18 – Samarinda,
East Kalimantan 75126,
The Republic of Indonesia
Phone : +62 541 761233
Fax : +62 541 761094

Office hours of MAL are as follows:

Weekdays : 8 AM – 12 AM, 1 PM – 5 PM
Closed : Saturday, Sunday and Holidays (specified under the Law for holidays of Indonesia) and from 31st of December to the 1st of January

4. CONFIDENTIALITY

MAL is responsible for ensuring that the secrecy is well maintained by its employees and those of its sub-contractor, concerning all confidential information in which they become acquainted as a result of their contact with the MAL. MAL shall not disclose any information pertaining to a supplier or particular product without written consent of the manufacturer. Should the law require information to be disclosed to a third party; the client will be informed of the information provided as permitted by law.

5. GENERAL CONDITION

The basic conditions for obtaining registration are that the manufacturer agrees to and conform with the following procedures and rules:

- 5.1 All information deemed necessary by MAL in order to complete the evaluation program shall be made available by the manufacturer.
- 5.2 MAL, if not satisfy that all the requirements of registration being met, shall inform the manufacturer of those aspects in which the application has failed.
- 5.3 When the Manufacturer can show that remedial action has been taken within a specified time limit to meet the requirements, MAL will arrange, at an extra cost to the Manufacturer to repeat only the necessary part of evaluation.
- 5.4 If the Manufacturer fails to take remedial action within specified time limit, it may be necessary for MAL at an extra cost to repeat the evaluation in full.
- 5.5 Identification of conformity shall refer only to the site or sites evaluated and apply to the scope of the issued certificate as state on that certificate.

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6. REQUIREMENT OF APPLICATION FOR REGISTRATION

Basic requirements for Manufacturer to participate in this certification program are as follows:

- a. Manufacturer shall appoint a qualified Person Responsible in Quality Management (RQ) and attached his/her CV, one or more Person in Charge of Grading (G) and attached his/her CV, List of Person in Charge of Surface Quality Inspection (SQ) and List of Internal Audit Team.
- b. Manufacturer shall hold a certain quality system document used as a guidance to fulfil its quality planning (standard requirement).
- c. Manufacturer shall have production process standard concerning item product to be certified and QC Data (trial data).
- d. QC Data is consisting of record of incoming material test, production process from initial process until finished product inspection (visual and dimension) and laboratory testing result.

The minimum number of QC Data each production process shall be:

Item	Number of QC Data per week	Number of QC Data per month
Non-structural (OP, Specialty, LVL, GLT, Flooring)	1	4
Structural (CP, SP, SLVL and Flooring for Joist Use)	2	8

- e. Manufacturer shall have facilities for production, inspection and testing state as lay out of factory, machineries, laboratory, list of machineries, list of inspection and testing apparatus.
- f. Person or Department responsible for grading shall independent and state in Organization Chart.
- g. Manufacturer shall conduct Quality Internal Audit activity using qualified auditors.

7. INTIAL CONTACT

After MAL received letter, facsimile. etc. contained request for certification from Manufacturer, quotation, application form, draft contract will be submitted to Manufacturer. After being filled and signed for approval, the quotation, application form should be return back to MAL together with controlled application document, quality system document. The Contract should be agreed by both sides before certification started.

8. APPLICATION FOR REGISTRATION

On the receipt of quotation and application from manufacturer together with controlled copies of relevant documentation, the project will be allocated to Auditor who will responsible for ensuring that the evaluation is performed in the line with MAL Procedures (Figure 1 below).

9. EVALUATION

The evaluation for certification shall be performed in 2 (two) stages, i.e.:

- 1) Desk study (document review) to ensure compliance with the requirements of production process, quality control system and QC Data, and
- 2) Evaluation on site to ensure that quality management system has been faithfully performed.

Evaluation Visit contained 2 (two) activities, i.e.

- 1) Factory Observation (FO) and
- 2) Product Quality Stability Inspection (PQSI).

For certification evaluation purpose MAL will conduct at least 1 time FO and 2 times PQSI (3 points).

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Manufacturer shall pass study desk and Evaluation Visit to gain the JAS certificate. Evaluation shall be performed according to MAL working procedure and will be performed to determine the conformance with the relevant standard and criteria. The evaluation shall be performed following procedures below:

9.1 Auditor selection

Vice President with the General Manager or Deputy Director or Executive Director guidance shall select auditors to conduct the evaluation. The number is 2 (two) as a minimum, which 1 (one) of them would be Lead Auditor.

9.2 Document review

The evaluation team shall carry out a detail examination of submitted application document and prepare a detail report which should be submitted to Vice President for review and approval prior being facsimiled to the manufacturer.

9.3 Preparation for evaluation

The Evaluation Team should prepare the document necessary for evaluation such as itinerary, check list, etc. General Manager or Deputy Director or Executive Director shall inform the manufacturer about the itinerary contained of date of evaluation, time table, location, opening and closing meeting times, name of auditor, etc.

9.4 Evaluation visit

At the opening meeting when auditors arrived in manufacturer's plant, Lead Auditor shall explain the procedure and key issues of evaluation and also request cooperation from the manufacturer in providing accesses and an escort during the evaluation.

Manufacturer shall pass Evaluation Visit to gain the JAS certificate. Evaluation Visit contained 2 (two) activities, i.e. Factory Observation (FO) and Product Quality Stability Inspection (PQSI). For certification evaluation purpose MAL will conduct at least 1 time FO and 2 times PQSI (3 points).

Evaluation Visit will be performed in 2 (two) steps. The 1st Evaluation Visit are FO and PQSI and the 2nd is PQSI, with the purpose of ensuring the consistency or stability of production process in regard to its quality product. The number of FO and PQSI to be done for evaluation certification purpose can be seen in the table 1 (Concrete form Plywood - CP for example).

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Table 1. The minimum number FO and PQSI needed for JAS certification

No.	Item product	Number of FO needed	Number of PQSI needed (point)	
			1 st	2 nd
1.	CP	1 time (can be 1 st or 2 nd visit)	2 or 1	1 or 2

- Note :
1. First visit of PQSI can be performed together with FO
 2. The kind of product or item above is also available for another
 3. If necessary, MAL will perform additional FO or PQSI

During the evaluation, auditors shall record on the check list whether the requirement being accepted or not. Details must include reference to document, item product, etc. used to establish objective evidence.

When the non-conformance being identified, Auditors shall inform to manufacturer's representative and show the evidence in order that there is no misunderstanding and to provide an opportunity to the manufacturer to challenge the evidence and where appropriate produce evidence to the contrary.

In the closing meeting Lead Auditor shall make Non-Compliance Report of the non-conformance being identified and ask the manufacturer's representatives approval/signature.

All records produced for the implementation and operation of the manufacturer quality system shall be readily available for evaluation.

Manufacturer shall ensure that responsibility to MAL for the quality product system is clearly defined by appointing a designated person who is authorized to maintain contact with MAL. Any changes to the designated appointee must be confirmed to MAL in writing.

9.5 Evaluation Report

Within 15 (fifteen) working days of the evaluation, Lead Auditor shall prepare the evaluation report and forwarded to Vice President and General Manager or Deputy Director or Executive Director for review. General Manager or Deputy Director or Executive Director shall prepare the Evaluation Review and submits the Evaluation Review Report to Judgment Team together with all application document.

Should the General Manager or Deputy Director or Executive Director have issues to be revised or corrected, the manufacturer will be informed through following procedures :

- a. General Manager or Deputy Director or Executive Director inform the manufacturer issues to be revised or corrected and request the manufacturer to report on the measures taken for the revision or correction of the issues concerned by a specific date.
- b. On the receiving the manufacturer report on the measures taken, General Manager or Deputy Director or Executive Director makes the Lead Auditor re-evaluate whether the measures taken are conformed to the requirement
- c. Lead Auditor prepares re-evaluation report and forwards it to General Manager or Deputy Director or Executive Director for review.

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- d. General Manager or Deputy Director or Executive Director submits the evaluation report and re-evaluation as well to Judgment team.

Should the General Manager or Deputy Director or Executive Director tell the Auditors to conduct once further evaluation visit, the General Manager or Deputy Director or Executive Director must inform the manufacturer and MAL will apply part 9.3 until 9.5 of the Code of Practice

- 9.6 Judgment and decision on the certification and renewal certification.

The Chief of Judgment Team shall form a panel of minimum 3 members of the committee, which will always include the Chief of the Judgment Team as chairman. The Judgment team consists of ROCB Director, General Manager or Deputy Director or Executive Director, Vice President, and Independent Senior Auditor.

The Judgment Team Panel shall review the submitted evaluation report to ensure that the evaluation was effectively and efficiently performed at a level consistent with:

- a. JAS Law (Technical Criteria for the Certification of the Manufacturer, Japanese Agriculture Standard, Inspection Methods for the Agricultural and Forest Products)
- b. MAL working regulations
- c. Technical Criteria Standard of the manufacturer.

It may necessary, Judgment Team Panel to invite Technical Experts to ask their advice during the panel. However, the Technical Experts can only give advice, Technical Experts will not take any active part during the panel.

Judgment team panel chairman should report the evaluation result to the President Director who will inform the manufacturer. The result should be:

- 9.6.1 Recommendation of certification granting to the manufacturer
- 9.6.2 Issues further needed the corrective measures. In this case, General Manager or Deputy Director or Executive Director informs the manufacturer of the issues pointed out in the report of evaluation result and request the manufacturer to take necessary corrective measures and to report back the result of the measures taken by a specific date
- 9.6.3 On receiving the report on corrective measure from the manufacturer within a specific period of time, minimum 1 (one) of the Judgment team panel re-evaluates and confirms the conformance with requirements on issues concerned.
- 9.6.4 Should the Auditors have to conduct once further evaluation visit, part 9.3 until 9.6 of this procedure should be performed then.

CODE OF PRACTICE**10. NOTIFICATION GRANTING OF THE CERTIFICATION**

President Director judges the acceptance or rejection based on the result of evaluation and informs the result to the manufacturer through his/her notification.

Matters specified in the notification of certification are as follows:

- a. Name and address of the manufacturer's top management
- b. Name and address of the manufacturer which produces certified agricultural or forestry
- c. Item (types and classes) of the agricultural or forestry products to be granted
- d. Standard or Technical criteria on which the certification process is based
- e. Name and address of TTO performed testing and inspection activity
- f. Number and date of certificate
- g. Conditions (notice of change, JAS certified manufacturer's obligation, etc.)

Matters related to JAS certified manufacturer and MAL as ROCB (Contract), should be return back to MAL, after signed by manufacturer's top management as an approval within 15 (fifteen) working days from notification date. However, provided that the manufacturer would not send contract at least 15 (fifteen) working days after notification, it is considered that the application would be withdrawn.

11. GRANTING THE CERTIFICATION

When certificate is issued. The Certificate shall remain the property of MAL and shall not be copied or reproduced in any manner the prior approval of the President Director of PT MAL. Granting the certification shall be done according to the following conditions:

- 11.1 The manufacturer has it approval to obey the obligation of JAS certified manufacturer, showed by return back the signed obligation to MAL within 15 working days.
- 11.2 Matters specified in the certificate are as follows:
 - a. Name and address of applicant
 - b. Name and address of manufacturer
 - c. Category and Item (types and classes) of product
 - d. Standard and Technical criteria on which the certification process is based
 - e. Name and address of TTO who perform testing and inspection activity
 - f. Number of certificates
 - g. Issued and expiry date of certificate
- 11.3 The certificate will valid for 3 (three) years

12. PROCEDURE FOR CERTIFICATE MAINTENANCE**12.1 Audit**

Periodic audit visit shall be performed following notification of the intended visit and will cover aspects of Quality Management System and or Product Quality in order to secure and confirm the conformance with the certification requirement.

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Audit will be performed by MAL 2 (two) times a year regarding the manufacturer entrusts all the testing for grading to the third-party testing organization and when there arises such a necessity for special audit as is a recognized by MAL.

MAL shall be granted the right of access for surveillance purposes whenever deemed necessary and shall reserve the right to make unannounced visits as required.

The certificate holder shall maintain records of all customer complaints relating to those products, process covered by the certificate and make these available to MAL on request. The Certificate holder shall be informed of the result of surveillance.

12.2 Short Notice Audit

Short Notice Audit is audit activity that is performed by MAL at short notice to manufacturer to investigate complaint from stakeholder (MAFF, FAMIC, Market Sampling, end user, secondary process factory, and etc.) against product quality and/or misuse of JAS Label of manufacturer.

12.3 Inspection and Testing for Grading

According to JAS Inspection Method, Person in Charge of Grading (G) shall pick up sample randomly to be tested and inspected by Third Testing Organization (TTO).
TTO who conducting inspection and testing shall be approved by ROCB and shall enter into contract with the manufacturer. Judgment of the product shall be made upon the inspection and testing result of TTO.

12.4 JAS mark labelling

JAS certified manufacturer shall abide the followings in order to label the appropriate JAS mark within the scope of certification:

- a. JAS certified manufacturer shall have written permission from MAL to forms of labelling before using them.
- b. JAS certified manufacturer shall appropriately manage to supervise the methods of marking and record the come and go of JAS mark labels in proper labelling forms.
- c. If JAS certified manufacturer will use JAS labels on other than JAS products for promotional purposes such as on websites, business cards, letterheads, etc., JAS certified manufacturer shall submit an application to MAL for approval.
- d. If JAS certification were suspended or withdrawn, manufacturer is not allowed to use JAS Mark.

12.5 Product modification

The certification holder shall inform to MAL in writing of any intended modification of the product, production process or quality management system that may affect the compliance to the standard.

MAL will determine whether the notified changes require additional evaluation. Failure to notify MAL may result in suspension of the certificate.

CODE OF PRACTICE**13. RENEWAL CERTIFICATION**

Every 3 (three) years, the JAS certificate shall require to undertake a re-assessment to reconfirm compliance.

At the end of a validation period, MAL will send application form to manufacturer not more than 90 (ninety) days before the expiration date and manufacturer shall submit the complete filled application form and the latest JAS Application Document not more than 60 (sixty) days before the expiration date to continue the certification. Re-certification audit will be performed by considering the expiry date of certificate.

Certificate will be issued if manufacturer has complied all criteria below:

1. All audit results in 1 cycle of certification have been completed and all NCRs (if any) has been closed out.
2. All Stability Inspection activity and testing have been completed and the results all passed. If any failed and/or re-test result; the investigation against the root cause, correction and corrective action has been completed and implemented.
3. Monthly Grading Reports have been completed and submitted to MAL.
4. JAS Application Document has fulfilled JAS requirements and comply with manufacturer actual condition.
5. The manufacturer has completed the financial obligation, including certification fee (audit, inspection, testing and etc.).

The renewal certificate will be issued after get recommendation from the evaluation of Judgment Team.

After issued the renewal certificate(s), the manufacturer shall return old certificate(s).

14. THE CHANGE OF THE CERTIFICATE SCOPE

The change of the certificate scope could be extension or reduction of the scope. Due to the extension of the scope, in this case for the extended product for example, the Manufacturer shall fill a new application form (see clause 7). The Evaluation will be performed only on the area or extended product including its production process. The cost of extending the certificate scope will be based on the nature and program of work.

Due to the reduction of the certificate scope, the resignation form shall be filled by the certificate holder including the item to be resigned and its reasons and sent to MAL together with certificate. MAL's President Director shall evaluate the resignation as well as manufacturer's obligation before draw an approval decision, then General Manager or Deputy Director or Executive Director instruct the Administration Coordinator to publish this resignation.

CODE OF PRACTICE**15. THE CHANGE OF CERTIFICATION REQUIREMENT**

The JAS certified manufacturer will be informed if there is a change in certification requirement in regard with quality system standard, product standard or certification system.

MAL shall take account of views expressed by interested parties before deciding on the precise form and effective date of the change. Following the decision on and publication of the changed requirement, MAL shall verify that each certificate holder makes any necessary adjustments within such time as in the opinion of MAL is reasonable.

16. PUBLICITY OF CERTIFICATE HOLDERS

A JAS certified manufacturer has a right to publish that the product, and its production has been evaluated and apply the relevant mark of conformity to stationary and promotional material relating the scope of registration as detailed on the Certificate.

17. MISUSE OF A CERTIFICATE

MAL shall take all reasonable pre-cautions to control the use of its Certificates. Incorrect reference to registration or misleading use of Certificate found in advertisement, catalogues, etc. shall be dealt with by suitable actions which could include suspension or withdrawal of a certificate, legal action and/or publication of transgression.

18. SUSPENSION OF A CERTIFICATE HOLDERS

A certificate may be suspended for a limited period in cases such as the following:

- a. If non-compliance reports have not been closed out within the designated time limit.
- b. If a case of improper use of a certificate, e.g. misleading prints or advertising is not solved by suitable retractions or other appropriate remedial measures by the company.
- c. If there has been any other contravention of the MAL Codes of Practice.
- d. If manufacturer cannot keep the Quality of product stabilize more than 6 months.
- e. If there is found the manufacturer sell and claim as JAS product, however not mentioned in Monthly Grading Report.
- f. If there is any significance change(s) that affect to process and product quality, however not informed and verified by MAL.

The manufacturer shall not identify as registered any product that has been offered under a suspended certificate and immediately stop all advertising in this respect.

An official suspension of a certificate will be informed in writing by MAL to the manufacturer. At the same time, MAL shall indicate under which conditions the suspension will be removed. At the end of suspension period, an investigation will be performed to determine whether the indicating conditions to reinstating the certificate have been fulfilled. On the fulfillment of these conditions the suspension shall be lifted and the manufacturer notified of the certificate reinstatement. If the conditions are not fulfilled, the certificate shall be withdrawn.

All costs incurred by MAL in suspending and reinstating of certificate will be charged to the manufacturer.

CODE OF PRACTICE**19. WITHDRAWAL OF A CERTIFICATE**

A certificate may be withdrawn in the following cases:

- a. If inadequate measures are taken by the manufacturer in the case of suspension.
- b. If the manufacturer fails to comply with due settlement of its financial obligation.
- c. If the product, production process is no longer offered or the manufacturer ceases trading.
In this case the manufacturer shall submit a resignation request to MAL and stating the reason
- d. Lack of ability to perform production process of the manufacturer because of natural disaster
- e. If manufacturer cannot keep the Quality of product stabilize more than 1 year.
- f. If manufacturer refuse the audit by ROCB and/or MAFF.
- g. If manufacturer did not submit Monthly Grading Report to ROCB.
- h. If manufacturer makes a misuse of JAS mark.

In case of 19 (a) and (b) above, MAL has a right to withdraw the certificate and informing the manufacturer in writing. The manufacturer may give notice of appeal (See clause 22).

If the JAS certificate has been withdrawn or cancelled, then the manufacturer is not permitted to do JAS labelling. If there is a stock of JAS- labelled products, it must be removed and may not be claimed as JAS products. JAS certificates and labels (stamp and or stickers) will be withdrawn by MAL and the manufacturer must return to MAL,

The withdrawal of the certificate of the manufacturer will be informed to MAFF and announced in MAL website.

Once the certificate of manufacturer is withdrawn and JAS certificate and Label has been returned to MAL, then MAL will remain perform the monitoring to ensure manufacturer which their certificate already withdrawn are not claim, sell, and use JAS Label. If found, this is a serious violation against JAS Law and MAL will report to MAFF for further action according to MAFF regulation. Besides that, MAL will publish in website and inform to Stakeholder.

If the status of certificate of manufacturer has been withdrawn, the manufacturer still has an obligation to settle all its obligation including financial matters.

Note: If JAS certificate has been withdrawn, manufacturer could not submit a new application during 1 year after withdrawing date.

20. FEES

Cost and fees necessary for the certification of the typical case would be as follows:

1. Cost and fees necessary for the certification process and evaluation:
 - a. Certification evaluation Rp. 20,000,000,- per 1 (one) product item. When a manufacturer applies for several product items at a same time, for each 1 (one) product item added, Rp. 13,500,000,- shall be added.
 - b. Products quality stability inspection fee (Based on TTO – MAL Testing price), 3 points shall be required as a minimum each item
 - c. Factory Observation (FO) fees is depended on man day(s) needed for finish the FO.

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- Numbers of man day(s) is depended on kind of product and number of production line which is evaluated.
- d. The product quality stability inspection (PQSI) fee is Rp. 3,000,000,- per point to be inspected.
 - e. Travel expense for evaluation: Flight fare, transportation on site and hotels – applicant responsibility
2. Cost and fees necessary for the registration of certification: Rp 4,000,000,- per 1 (one) product category of a manufacturer. When a manufacturer applies for several product category Rp 2,000,000,- shall be added per 1 (one) category.
 3. Cost and fees necessary for the maintenance of certification
 - a. Registration and certification maintenance fee Rp. 560,000,- per 1 (one) item product per month
 - b. Audit fee and cost :
 - (1). Rp 7,150,000,- per manufacturer per 1 (one) item product per 1 (one) audit
 - (2). Travel expense (see part 1 e above)
 - c. Fee for marking the ROCB mark (optional)
 4. Special Audit and Short Notice Audit
All cost raised during Special Audit and Short Notice Audit will be described in Quotation and Certification Contract.
 5. Payment Method
All cost raised during certification process, certification maintenance, special audit and short notice audit activities will be described in Quotation and Certification Contract.
 6. Note:
 - a. Costs and fees necessary for certification process and registration of certification would be paid in advance.
 - b. Costs and fees necessary for the maintenance of the certification would be paid maximum 10th days of the next month.
 - c. When the additional evaluation, audit, special audit and short notice audit are necessary for the confirmation or corrective measures or other, additional costs and fees shall be necessary

The fees quoted shall exclude traveling and subsistence expenses which will be charge extra cost. All fees and additional charges are subject to local taxes in the country concerned at the appropriate rate.

21. OBLIGATION OF A JAS CERTIFIED MANUFACTURER

When the manufacturer was declared passed the evaluation and gathered the certificate, there are several consequences to be fulfilled, as follows:

- a. The manufacturer shall produce JAS certified goods in a compliance with JAS requirement (JAS standard, JAS technical standard, MAL working regulation) continually.
- b. In order to carry on the maintenance of product quality, the manufacturer is willing to be visited (inspected) by MAL every JAS production process. Therefore, the manufacturer shall give information on JAS production schedule.

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- c. Grading shall be made upon the result of inspection and testing performed by TTO. Samples shall be picked up randomly based on relevant standard and inspection method.
- d. The manufacturer shall send grading report (stamped/labelled product) maximum the 10th of the next month.
- e. The manufacturer shall report the number of JAS stamp of each certified item product every month.
- f. The manufacturer shall report any change of the contain of Application Form and JAS Application Document.
- g. The manufacturer has to keep Grading report for at least 5 (five) years, QC data and testing data for at least 3 (three) years.
- h. The manufacturer shall be willing to be audited by MAFF.
- i. The manufacturer shall fulfil its obligation on fees according to clause 20 above.
- j. Any claim the manufacturer received must be responded and report the action have been taken to MAL
- k. If the manufacturer willing to stop the production or is going bankrupt, the manufacturer should report to MAL.
- l. If the manufacturer's certificate has been withdrawn, the manufacturer shall return JAS Label (stamp and sticker) and certificate (s).
- m. If the manufacturer's certificate has been withdrawn, the manufacturer should not use JAS stamp.
- n. If manufacturer need to distribute to other parties, shall inform to MAL and give stamp "COPY" and manufacturer's stamp.
- o. If manufacturer need to duplicate, manufacturer shall request to MAL with additional cost.

22. APPEALS AND DISPUTES

If for any reason is given may result in a certificate being withdrawn or a dispute of any kind arises between both Parties, the manufacturer has a right to appeal. All appeals should be in writing directed to General Manager or Deputy Director or Executive Director and received within 7 (seven) days of notification of Certificate withdrawal, together with relevant facts and data for consideration during the Appeals Procedure.

All appeals submitted to MAL are put before the Judgment Team's panel. MAL shall be required to submit evidence to support its decision to withdraw certificate.

The decision of the Judgment Team's panel shall be final and binding on both the manufacturer and MAL. Once the decision regarding the appeal has been made, no counter-claim by either party in dispute can be made to amend or change this decision.

In instance where the appeal has been successful and the certificate reinstated, no claim can be made against MAL for reimbursement of costs or any other losses incurred as a result of the initial withdrawal notification.

23. CLIENT'S MANUFACTURER COMPLAINT

The JAS certified manufacturer shall make all complaints received from customers available to MAL's inspectors / auditors at each and every visit.

CODE OF PRACTICE**24. COMPLAINTS FROM MANUFACTURER TO MAL**

Should the manufacturer have cause to complaint, regarding the conduct of MAL employees or sub-contractors, the complaint should be made in writing and addressed to the General Manager or Deputy Director or Executive Director of MAL.

25. COMPLAINTS FROM MAL TO MANUFACTURER

MAL's complaints to manufacturer are complaints regarding to non-conformity product against product standard requirement. All non-conformity shall be closed out within the designated time limit.

The manufacturer shall file MAL's Non-Conformity Report and together with corrective action to be performed. The result of corrective action will be verified by MAL's inspector / auditor within designated time limit or in the next visit.

26. JUDGMENT TEAM RESPONSIBILITIES

The Judgment Team, under the direction of the Chief of The Judgment Team, shall be responsible for taking appropriate action on any relevant mater where their advice or decision is not taken or acknowledge respectively.

27. CODE OF CONDUCT

MAL business is founded upon MAL reputation. MAL clients, their clients and a wider group of stakeholders all rely upon MAL to be independent, impartial and ethical.

Acting in a professional manner is essential to the success of our business. All employees, sub-contractors, subsidiaries, associated companies and authorized representatives have a responsibility to ensure that they promote good working practices, behave in accordance with the highest professional standards, and abide by this Code of Conduct.

This Code of Conduct has been approved by the Board of Directors, who retains responsibility for upholding its requirements.

General Code of Conduct:

- a. To act with fairness, honesty and integrity at all times and comply with the Code of Conduct and Anti Bribery Policy
- b. To act within the law, upholding current legislation and practices of the company
- c. To work safely, upholding the health & safety policies and practices of the company
- d. To communicate clearly, effectively and openly
- e. To safeguard all confidential information and act in accordance with Certification Contract
- f. To be accountable for our actions
- g. To treat colleagues, clients and other stakeholders with an appropriate level of respect and consideration
- h. To respect matters of faith, conscience and diversity in their widest sense
- i. To avoid behaviour that could be regarded as harassment, bullying, exploitation or intimidation.

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- j. To safeguard the reputation and assets of the company

28 Anti-Bribery

MAL recognizes that it has a legal responsibility to prevent and discourage bribery because its clients and other parties rely on its honesty and impartiality as a Certification Body. This policy therefore explains in detail what MAL expects from office employees, auditors, subcontractors and other stakeholder.

A legal definition of bribery is *“an offer or receipt of any gift, loan, fee, reward or other advantage to or from any person as an inducement to do something that is dishonest, illegal or a breach of trust, in the conduct of the business”*.

Unacceptable behaviour

The following behaviours are unacceptable:

- a. Accepting any inducement (financial or other reward) which results in a personal gain or advantage to the receiver or any person or body associated with them.
- b. Requesting an inducement (financial or other reward) from any person in return for providing some favour.
- c. Offering any inducement (financial or other reward) to any person in return for providing some favour.

Business Gifts

From time to time customers, suppliers or other people and/or organizations might offer inspector/auditor/subcontractor a gift. This could be a small gift or something expensive. Gifts (including discounted services) of excessive value, typically more than **Rp. 500.000 or equivalent in others currency**, cannot be accepted, unless authorized by The Deputy Director management contact (in the case of a subcontractor).

Notification of Gifts/Hospitality

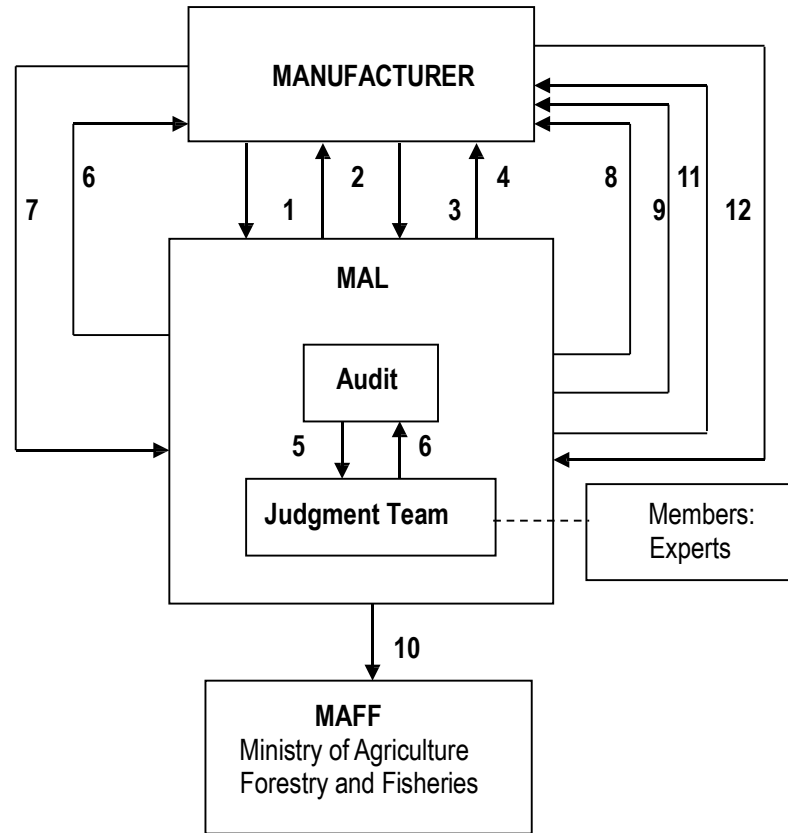
This policy is not meant to ban the following practices but they must be proportionate and customary in a particular market:

- a. Giving normal and appropriate hospitality
- b. Giving of a ceremonial gift at a festival or at another special time
- c. Offering resources to help the person or organization to make a decision more efficiently, provided that they are supplied only for that purpose.

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The Mechanism of Certification Process

The mechanism of the certification process can be described in the following scheme:



Note:

1. Letter of certification inquiry from the manufacturer
2. Submission of application form, Code of Practice, and relevant document
3. Submission of application document from manufacturer to MAL
4. Evaluation visit
 - a. Factory Observation/FO (once as a minimum)
 - b. Product Quality Stability Inspection/PQSI (2 times as a minimum)
5. Evaluation report (from auditor to Judgment Team)
6. Evaluation result
7. Corrective action from manufacturer due to evaluation report (if any)
8. Certification and re-certification decision
9. Notification of certification
10. Report to MAFF
11. Audit (2 times a year)
12. Obligation of JAS certified manufacturer