

Group of Operators in the new EU Organic Regulation

Input for the EU Commission and the Member States

IFOAM EU & IFOAM Organics International

Ver. 21 November 2019

1. Introduction & Background

IFOAM Process to develop this position

In view of the findings of the comprehensive 2019's [report](#) on Group Certification by FiBL and IFOAM's experience after 20 years of implementation, IFOAM organized an international survey and expert workshop to strengthen group certification requirements, which was also attended by representatives of the EU Commission. Additionally, there were various consultations and expert panel discussions carried out at global and IFOAM EU level to come to a joint position regarding the requirements for "Groups of Operators" in Regulation (EU) 2018/848.

Overview currently certified organic groups

According to the FiBL report, there are currently 2.6 million organic smallholder farmers in developing countries which are certified through around 5900 groups in Latin America, Asia and Africa. This means that about 80% of all organic farms worldwide are small farms certified in groups who supply the EU with important products such as cocoa, coffee, tropical fruits and others.

The existing groups of operators can be categorized into two types of organizations:

- a) **Organized farmer groups** - e.g. cooperatives, farmers associations, federations of cooperatives.

The cooperative/association/federation operates the Internal Control System. Most groups have both organic and non-organic members. Organized farmer groups are predominant in Latin America, where they tend to be rather small, but there are also cooperatives in Africa and Asia, some with many thousands of members. The most important crops commonly grown in organized groups are coffee and cocoa. It can be estimated that slightly more than half of all organic farmers under group certification are in organized farmers groups, but only a quite limited range of organic products and origins.

- b) **Processor/Exporter managed group**

A processor/exporter sets up and manages a group of affiliated farms by signing contracts with local small farms to produce and supply organic crops. The processor/exporter trains the farmers in organic production and operates the Internal Control System.

This type of "processor/exporter managed group" is very common and an acceptable form of group entity according to current EU and USDA regulations. Such groups are prevalent in many parts of Asia as well as in Africa, but they also exist in Latin America and produce a very wide variety of organic products and crops. Many important organic commodities are almost entirely sourced from Processor/Exporter managed groups (vegetable oils, sugar, cotton, rice).

2. Group of Operators Members and Legal Personality - Art 36(1) (a), (b) and (d)

a) Organized Farmers Groups

The current wording to Art 36.1 (a), (b) and (d) seems to set restrictions that even the roughly half of all currently certified smallholders that are organized in farmer cooperatives, associations and federations cannot meet:

- Most co-operatives or farmers associations are composed not only of organic members who meet the restrictions of Art 36.1b but have also non-organic or larger members in the legal entity (the cooperative).
- Many certified groups are federations of cooperatives (2nd degree cooperatives), i.e. the members of the certified legal entity which operates the Internal Control System (ICS) are farmers cooperatives, which are often tiny grass-root organizations. This structure is very common in the EU too.

b) Processor/Exporter-managed Groups

Slightly less than half of all organic group farms are certified in processor/exporter managed groups, Various important organic commodities are almost entirely produced by such processor/exporter-led groups. The wording of Art. 36 (1) (a), (b) and (c) seems to imply that all these thousands of groups can no longer be certified as organic unless a separate legal farmer group entity is set up.

With regard to implementation of organic standards, the role of the processor/exporter as a group operator is very comparable to the role of a farmers' cooperative:

- The processor/exporter signs contracts with small farms to supply organic crops, outlining both sides' responsibilities. The processor/exporter with its affiliated farmer group is the legal certified entity. The affiliated farms are considered "group members" (all organic regulations use the term "members").
- The processor/exporter has a very similar role as a cooperative: buying & marketing the products of members, supplying services (training, control), ensuring compliance of group members and operating the ICS. Both types of group entities manage central processing units as well as farm production by members. In either case members are independent operational units that take their decisions on production and sales, bound to organic compliance only by their contract with the group operator.
- The main legal difference between co-operatives and processor/exporter-led groups is that in the processor/exporter managed group, the farms do not co-own the certified legal entity and have no democratic control over its management. However, democratic control and ownership is not regulated in the Basic Act for other operators either. In our opinion, this is a "political" subject that is and should remain outside the scope of the organic regulation.

If all organic processor/exporter-led groups had to establish new separate "legal farmer group entities" for administrative purposes to meet EU certification requirements, while still running and financing the internal control system and controlling the product flow from the farms to sales, this would result in massive costs, administrative burdens and may lower the overall quality of management and control. As also illustrated by the experience of the Fairtrade system, it is not meaningful to require farmers in all parts of the world and all kinds of production and cultural systems to form independent legal group entities for the purpose of certification. In some countries, the cooperative concept is culturally very challenging and prone to failure or disfunction.

What would the current ruling mean for organic groups world-wide?

It is obvious that the Commission's current interpretation of Art. 36.1 would have a substantial negative impact on millions of small-farmers all around the world. It will also create unnecessary costs to thousands of certified cooperatives and federations of cooperatives, and all group certification applicants in the EU.

The potential disruption of the supply of key ingredients to organic processing companies in the EU because of the envisaged separate legal group requirement for the thousands of processor/exporter led groups will impact EU operations and their competitiveness. The new requirements would differ substantially from those of other organic Regulations and important voluntary certification schemes (e.g. Fairtrade, Rainforest Alliance, UTZ), hence implementation will be confusing and inconsistent for the thousands of affected groups and hundreds of organic certifiers certifying groups.

There will not be much improvement of the main concerns. Instead there is the risk that the system will be weakened because groups would need to spend their scarce resources not on much needed farmers training and support, but on expensive legal registration and administration. There would be artificial management structures that only exist on paper, which can be harder to control and in fact become a gateway to fraud.

IFOAM Position on Group Members, Form & Legal Personality (Art 36.1)

IFOAM strongly advocates that cooperatives, federations of cooperatives, and processors/exporters with affiliated farms are recognized as **certifiable legal group entities**.

A certified legal group entity, e.g. a cooperative, should be permitted to create a sub-group of its registered members qualifying for organic group certification without the need to form a new separate legal entity only for the organic members.

3. Dimension of the Group of Operators (Art 36.4)

Art. 36.4 delegates details on "dimension and composition of a group of operators" to the secondary legislation. Size and composition of groups has been intensively discussed within the multi-stakeholder process led by IFOAM, as there are indeed some concerns about the control of very large groups of operators: a "too big to fail effect" resulting in no/only very partial sanctions; too low control rates due to the square root sampling approach, less effective internal control and training of farmers.

The current discussions between the Commission and the Member States seem to go towards the direction that a group could have a maximum size of 500 members with the obligation of creating a new legal entity and a separate internal control system for each group.

With regard to the dimension of a group of operators the following considerations are important:

- Operating an efficient professional ICS and farmers support service implies significant costs. This together with the often very small farm size (typically 1-2 ha total farm land) and resulting very small product volumes from each certified group farmer means that the vast majority of group farms are certified in groups with more than 500 farms. Groups with 400-2000 members, depending on crop and production region, are very common and "best practice".
- No voluntary sustainability schemes or organic regulations restrict group size except the Indian NPOP. The Indian case has shown that this can result in very artificial structures, with organic farms in the same village are certified in different "ICS" run by the same exporter.
- There are currently no examples of minimum group sizes. IFOAM requires the group to be big enough to operate a viable ICS. Group certification is currently applied from about 20-50 farms upwards. In very small groups the costs for operating the ICS and its restrictions (common marketing) are higher than the external certification cost savings.

What would the current ruling mean for organic groups world-wide?

The currently proposed draft limit of 500 farms/group together with the legal registration requirements of Art 36.1 would mean that:

- An existing organic cooperative of 3,000 members would have to split in 6 groups of 500 members and create 6 new legal entities, each with its own ICS.
- In an existing cooperative of 1,300 members, of which 700 are non-organic and 600 are organic, the cooperative would have to create 2 additional new legal organic entities (cooperatives), each one with its own ICS

A defined group size would result in massively increased costs, especially in addition to the legal entity requirements of Art. 36.1. Many groups need to be much bigger than 500 farms to produce viable export volumes and run a professional ICS, and the size limit would hit groups of the poorest and smallest farms particularly badly. The size cap can lead to the creation of artificial internal group structures, is inconsistent with all other organic regulations and common Sustainability Standards and will not be effective to improve the quality of control.

IFOAM Position on the Dimension of the Group of Operators (Art 36.4)

IFOAM does not recommend a maximum group size. Instead it is suggested to require very large groups to large groups to have a clustered structure that ensures a close ICS supervision and that would allow for partial de-certification of the grower group by decertifying defined ICS clusters if the ICS would be found to be failing only in one of these. Our proposal to combine the square root external re-inspection rate with a minimum percentage (see Point 7 below), also addresses this issue, by making sure that there is no economic incentive to go for very large groups, from a certification cost point of view.

If group size is still capped, it should be for the purpose of certification only. It should be possible that different cluster groups of 500 farmers use the same Internal Management and Control System, and that they are all under the same legal entity. The currently proposed cap of 500 members seems very low in the international context and should be further analyzed and re-considered.

4. Composition of the Group of Operators: Size of Members - Art. 36(1)(b)

Art 36(1)(b) defines detailed rules for the size of members in the organic group of operators.

It is very important that the exact meaning of Art 36(1)(b) is clarified, in particular that (if) “2% rule and organic turnover/output” and (ii) “farm size restriction” are either-or criteria. *E.g, a farm with more than 5 ha, but where the cost of individual certification would be higher than 2% of farm turnover and the annual turnover of organic production is lower than 25'000 Euro/yr, could be member of a group.*

Also, it is very important to consider that almost all certified organic groups have some members that are at least slightly bigger than the threshold set by Art 36(1)(b).

- This is extremely common and has been permitted in the EU regulation guidance and all other important organic standards, if these farms undergo external inspection each year.
- Having some slightly bigger members is considered important by groups to boost volumes, but also since many such farms are well managed model organic farms.
- Many farms above the threshold, e.g. a farm with 10 ha that has for example an organic output of 20'000 Euro/ year, would still not be in the position to cover individual inspection and certification costs, manage the necessary documentation and administration and will need the help and support of participating in and selling through an organic group.

- The experience of UTZ, which has tried to set strict farm size limits for being part of a group showed that such rules may lead to artificial changes on paper to meet farm size restrictions, e.g. by “splitting” the farm in two parts, one for the husband and one for the wife.
- We would also like to point at section 4.3.3. of the “European Accreditation Guidelines on the Accreditation of Certification of Primary Sector Products by Means of Sampling of Sites”. It specifies that for group certification “Producers that do not fulfil the maximum size requirements may become members of the group, but the certification body shall treat these as if they were a site in a multi-site certification”. This means that the members for whom the cost of certification would not exceed 2% of their turnover may still be part of the ICS but would have to be individually inspected.
- Additional guidance that farms above a certain size can never be certified as part of a group and need to undergo certification as individual operator may be helpful for harmonized implementation but would be best defined as part of a future group certification protocol. If such an “upper size threshold” would be set it should be easily verifiable, for example an organic turnover of more than 75’000€ (3 x small size turnover limit); indexed for inflation.

What would the current ruling mean for organic groups world-wide?

As most certified organic groups have also organic members that exceed the new member size limits defined in Art 36(1)(b), the current rules would exclude various small to medium size organic farms, many of which are model organic farms. These farms could not be certified without the support of the ICS nor pay the cost of individual farm certification.

Most likely, in order to maintain volumes, groups would need to pay for a simple kind of “external certification” for such slightly bigger members, which will greatly increase their costs and complicate their buying procedures. Certifiers will most likely come up with varying “hybrid” procedures, as organic does not have a “multi-site” farm group control model, and this may lower the consistency of implementation.

IFOAM Position on the Size of Members in the Group of Operators (Art 36.1.b)

The size rules in Art. 36(1)(b) require clarification in order to be implemented consistently. It should be confirmed that the rule (i) 2% rule, OR the rule (ii) on farm size applies.

“Medium” farms above the current size threshold of Article 36(1)(b) should be allowed as members of the group of operators and should be continued to be certified as part of the group, provided that they be externally inspected every year.

5. Composition of the Group of Operators: Geographic Proximity -Art 36(1)(e)

“Geographical proximity of members” and “homogeneity of production” has always been a requirement for group certification in all organic regulations and in the IFOAM Accreditation Requirements.

There are no examples of organic regulation nor voluntary Sustainability Standards that define geographic proximity. Some standards chose to define rules on sampling of farm members in clusters instead, often focused on products or production systems, i.e. if a group has some fruit farmers and some fish farms, each cluster of farms (fruit farms and fish farms) needs to be sampled separately. Consistent rules for sampling per separate geographical cluster of farms would be important too.

IFOAM Position on geographical proximity - Art 36(1)(e)

Detailed rule on geographic proximity would be very hard to define with world-wide applicability. We recommend not to develop more prescriptive rules on geographical proximity of group members – as currently already suggested in the current EU draft. It may be important to

mention the homogeneity of production systems within the group as an additional requirement for group certification.

It will be important to consider certified products, homogeneity of production and geographic proximity also in the sampling rules to ensure that different clusters of farms are adequately sampled.

6. “System for Internal Control” Requirements – Art. 36(1)(2)(4)

The EU is yet to define detailed requirements for the Internal Control System in its new organic regulation.

The basic key requirements for an ICS are well expressed in the current IFOAM Accreditation Requirements (section 8.3.3) and have been tested and improved for more than 20 years. Every element of an internal control and management system indicated in this chapter is very important and relevant for a functional ICS.

In addition to existing rules, the recent IFOAM-led consultation process concluded that regular **producer training in organic production should become a mandatory element of an ICS**. Training and guidance to farmers can be equally important for compliant organic practices than the control visit itself.

We recommend stating that provision of guidance during internal inspections does not per se constitute a conflict of interest, as too strict a restriction can lead to less training, extension and support of farmers in organic production, and hence affect compliance.

In defining its rules it would be good if the EU would clarify or simplify the terms used for internal inspectors (currently “internal auditor” and “internal inspector”) and clarify that ICS staff (manager, ICS inspectors) CAN be a farmer member, but can also be employed staff.

IFOAM Position on ICS Requirements - Art. 36(1)(e)

IFOAM highly recommends using the IFOAM ICS requirements as laid down in the IFOAM Accreditation Requirements section 8.3.3., with a few clarifications, as a well agreed basis for setting new EU rules for an Internal Control System – see Annex to this position paper.

7. Control of a Group of Operators (Art 38)

There is currently no harmonized group inspection protocol to verify the set-up and functionality of internal control systems. Risk categorization for determining the minimum number of re-inspections, sampling procedures, duration and elements of the group inspection process can vary greatly between certifiers.

IFOAM has well established requirements for the group inspection defined in section 8.3.4 of the IFOAM Accreditation Requirements. Those provide a common basis for group inspections of IFOAM accredited certification bodies. Key elements as listed in the Annex for easy reference.

Based on the consultation and discussion to strengthen group certification, IFOAM intends and recommends strengthening the control rate compared to current IFOAM control requirements:

Minimum Sampling / Re-inspection Rate

- In addition to its current rules on the minimum re-inspection rate for sampling members based on the square root model, IFOAM now considers it necessary to introduce an additional minimum control rate in percentage, i.e. The square root of number of farms need to be re-inspected each year, at least 10. A risk factor of 1.2 and 1.4 applies for medium and high-risk groups respectively. The resulting control rate can never be lower than a defined “Minimum percentage” of group members.
- This new “minimum percentage” should be carefully chosen to affect mainly large groups, where the current model results in too low control levels.
 - A number intensely discussed in the EU at the moment is a minimum of 5%
 - This is based on the EA “Guidelines on the Accreditation of Certification of Primary Sector Products by Means of Sampling of Sites” which states that in addition to the square root-based approach a minimum of 5% of sites shall be sampled. However, this guidance requires only 20% minimum internal control by the ICS, not 100% as in organic, so it cannot be directly compared.
 - 5% equals the square root in a group of 400 farms. Organic groups with > 400 farms are extremely common and considered well-sized for efficient internal and external controls.
 - Expert opinions on where the square root starts to become too weak vary typically between 1000 and 2500 farms. This corresponds to a minimum control rate of 2-3%,
 - A 3% minimum control rate would also increase the number of re-inspections in many groups significantly, but only effect large groups, not the majority of organic producers.
 - Examples
 - A group of 6'000 farms:
 - Square root: 78 re-inspections = 13 re-inspection days (6 farms/d).
 - 3% Minimum: 180 re-inspections = 30 re-inspection days
 - 5 % Minimum: 300 re-inspections = 50 re-inspection days
 - A group of 1000 farms
 - Square root: 32 re-inspections = 5.5 re-inspection days (6 farms/d).
 - 3% Minimum: 32 re-inspections = 5.5. days (since 3% is lower than square root)
 - 5 % Minimum: 50 re-inspections = 8.3 re-inspection days

IFOAM Position on Group Control Procedures (Art 38)

Future group control requirements should cover at least all requirements currently included in IFOAM Accreditation Requirements in Chapter 8.3.4. (see Annex)

In addition, the following rules are proposed:

- Continue the square root approach, but additionally set a minimum control rate of 3-5%. *A minimum of 3% would result in higher control rates only for normal risk groups of > 1200 members. 5 % minimum would affect all normal risk groups with > 400 members, the vast majority of group farms.*
- Better rules how to sample groups with several clusters (per production system, geographic proximity and/or ICS centre) would be helpful especially if it would allow sanctions to be applied per cluster in well-justified cases.
- It is important to ensure that the external farm re-inspections are full farm inspections, verifying all relevant standard requirements according to a defined minimum protocol, adapted to the risk of the member’s production system and that inspection findings are cross-checked with the findings of the internal control

A wider harmonization process between leading group CBs is recommended to agree on operational details of group control & sanctions and possibly develop a shared common minimum group inspection and certification protocol

8. ICS Deficiencies and Non-Compliances (Art 38, Art 35, Art. 42)

Similar to the rules of Art 38, the IFOAM also requires that “Failure of the internal Control system to detect and act on non-compliances shall invoke sanctions on the group as a whole. Certification should not be granted or should be revoked in case of ineffectiveness/systematic failure of the ICS”.

The evaluation what constitutes a “systemic failure of the ICS” and how non-compliances or weak ICS performance are dealt with, varies greatly between CBs. Many certifiers are reluctant to sanction the entire group, if they find a few farms in which the ICS did not detect critical non-compliances.

So far, there is no clear guidance nor established thresholds on what number of undetected non-compliances constitutes a systemic failure of the internal control system – which also depends on group size and number of re-inspected farms. It is clear that the investigation of the cause and exact nature of any undetected non-compliances (i.e. failure of the ICS) is very important.

The IFOAM workshops and consultations concluded that more harmonization and guidance on sanction in group certification is needed. However, the development of such guidance is a complex task which should be done with intensive consultations of certifiers, experts and stakeholders and may include learnings from other standards (e.g. MSC Chain of Custody Standard).

Also, clarification is needed on if and to what extent a future harmonized EU catalogue of sanctions and the rules of article 42 would apply for certification of organic smallholder groups world-wide.

IFOAM Position on ICS Deficiencies and Non-Compliances (Art 38, 35 and 42)

More clarity and a practicable realistic approach are needed regarding if and to what extent a future harmonized catalogue of sanctions and the rules of article 42 would apply for certification of organic smallholder groups world-wide.

IFOAM believes that more harmonization is needed between leading group certifiers on sanctions. We advocate that the development of harmonized guidance on the application of sanctions should be done with intensive consultations of certifiers, experts and other stakeholders, possibly through a project framework. The output of such process could then be taken up as official guidance by the EU Commission.

9. Group certification as a specific control scope

With current rules, any certification body approved to certify organic agriculture, can certify groups of operators, although the CB may lack any of the necessary procedures or expertise needed to inspect and certify groups. Under the IFOAM Accreditation system, group certification is a separate scope that a CB needs to be approved for, demonstrating specific group control and sanction procedures and staff competencies.

IFOAM Position

IFOAM considers it essential that group certification becomes a separate “control scope”, that requires certifiers to have suitable procedures and policies as well as qualified staff in order to be approved to certify groups of operators. More oversight focus on group certification is needed by accreditation bodies and competent authorities.

ANNEX to the IFOAM Input of Group of Operators

IFOAM Requirements for an Internal Control System

Note: IFOAM considers changing terminology to “Internal Control and Management System”

The key internal control system requirements in the IFOAM accreditation criteria in section 8.3.3 are:

- The certified entity is the group as a whole. Individual members may not use the certification independently by marketing as individual organic producers outside of the group. (8.3.3.1)
- An effective and documented Internal Control System is in place, including a documented management structure of the internal control system. (8.3.3.2).”
- The group shall have competent ICS personnel, provided with regular training and a mechanism to address potential and actual conflicts of interest (8.3.3.7 a-c).
- Group members have access to production standards presented to them in a way adapted to their language and knowledge (8.3.3.5). *Note: This is sometimes referred to as “internal organic standard”.*
- The group shall sign membership agreements with members outlining rights and duties (8.3.3.4). Members shall be aware of consequences of non-compliances and sanctions (8.3.3.6)
- The group shall register, update and manage all core member farm data (farmer data, location, fields and crop data) as well as production methods according to a defined process and shall monitor and document the conversion period for all new farms or fields (8.3.3.7.d, e & f). *If members are registered under more than one ICS (permitted for different products only), the ICS has procedures in place to record and monitor this and to exchange relevant data with the other group, e.g. in case of sanctions.*
- Documented inspections to check compliance with production standards are done at least annually for each group member, according to a defined and documented internal inspection protocol. (8.3.3.3 & 8.3.3.7)
Internal inspections shall have adequate duration, covering all relevant risks and standard requirements. They shall always include the inspection of fields, input and product storage as well as an interview with the member. Performance review elements may encourage continuous improvement of production practices.
- If members operate also in-conversion and/or non-organic units, the ICS is adapted to this. It demonstrates the procedures and capacity to manage and control the separation of the production units in line with the applicable standard requirements
- Core ICS documentation is in place: complete list of members, maps/sketches and basic farm data, farm/field or processing records, signed member agreements, yield estimates (8.3.3.8)
- The group has a mechanism to accept new members, ensuring that acceptance only happens after internal inspections (8.3.3.7i)
- Decision making is separate from internal inspection (8.3.3.7j). There is an effective mechanism to enforce corrective action by group members and remove non-compliant members from the list of farms as well as non-conforming products from the supply stream (8.3.3.7g).
- Group has a description of product flow and full records at each step, including any non-compliant products (8.3.3.7h)
- Risks are assessed and acted upon accordingly by the ICS (8.3.3.7k).
- *New:* “Training shall be provided to members on all relevant topics of organic production according to an annual training plan with the aim to improve organic farming practices of members. Training may include field extension services and shall be carried out by competent personnel or experienced farmers. It shall be recorded, and uptake of training followed up by

the ICS. An internal inspection may include advise on organic production methods and explanations of production and ICS rules - this does not per se constitute an unacceptable conflict of interest.”

IFOAM Requirements for the External Group Control

The requirements for an effective control of groups are listed in IFOAM Standards chapter 8.3.4 and can be summarized as follows:

- Annual external inspection of the group shall be carried out by the certification body. The inspection visit shall include an assessment of the internal control system, of its effective application and of compliance with the standards (8.3.4.1&3)
- The certification body shall assign inspectors with competency in inspection of ICS.
- In evaluating the internal control system, the certification body shall determine that: (8.3.4.4)
 - All internal control documentation is in place
 - Internal inspections of all group members have been carried out at least annually and have covered all relevant standard aspects and critical control point, including control of in-conversion or non-organic units, if any
 - New group members are only included after internal inspection according to procedures agreed with the certification body (including correct handling of farm conversion)
 - Instances of non-compliance have been dealt with appropriately by the internal control and according to a documented system of sanctions
 - Adequate records of inspections have been maintained by the internal control system
 - The group members understand the standards and that any excerpted, translated or otherwise interpreted versions of the standard cover all relevant aspects of production. Group members are being trained and supported in organic production.
 - Farm data, description of production methods and yield estimates are up to date and consistent in member documentation and farmers lists
- The inspection shall include an assessment of the risks to organic integrity within the group itself and the environment in which it functions (8.3.4.5)
- Re-inspection of a sample of group member shall be undertaken to evaluate the effectiveness of the internal control system. The sample shall be selected based on a combination of risk-based and random selection (8.3.4.6). *New: The selection provides an adequate sample of different products, production systems and geographical areas of group members*
- The percentage of group members subject to re-inspection shall take into account the results of the risk assessment. The minimum number of group member is determined by the certification body according to the square root approach: The square root of growers (minimum 10) times a risk factor of 1 (normal risk), 1.2 (medium risk) or 1.4 (high risk). (8.3.4.7). *New draft suggestion: The resulting control rate shall not be lower than a defined minimum control rate (yet to be decided; between 3 and 5%).*
- Re-inspections shall be full farm inspections adapted to the complexity and risk level of the member’s production system and shall carried out with the relevant documents from the internal control at hand. The methods and results of the internal control shall be compared to the results of the external inspection. (8.3.4.8).
- The certification body shall maintain records of the re-inspections so as to ensure that over time the inspections are representative of the group and as a whole and take into account any previously identified risk. (8.3.4.8)
- The evaluation shall include one or several witness audits of internal control inspections, according to the size of the group and the number of the internal inspectors. (8.3.4.9)

- The certification body shall hold the group as a whole (the certified entity) responsible for compliance of all operators. (8.3.5.1)
New draft: in case of very large groups, ICS group clusters may be defined which may be sanctioned separately if it can be confirmed that the ICS failed only in one of the clusters, but not the others.
- The certification body shall have a clear sanction policy specifically for groups to deal with non-compliance by the group and/or its members. Failure of the internal control system, top detect and act on non-compliance shall invoke sanctions on the group as a whole (8.3.5.2)
- Certification should not be granted or should be revoked in case of ineffectiveness / systematic failure of the internal control system. (8.3.5.3)