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**AGREEMENT FOR MONITORING THE QUALITY AND
AUTHENTICITY OF OLIVE OILS AND OLIVE-POMACE OILS
SOLD ON IMPORT MARKETS**

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**AGREEMENT FOR MONITORING THE QUALITY AND AUTHENTICITY OF OLIVE
OILS AND OLIVE-POMACE OILS SOLD ON IMPORT MARKETS**

Recalling that the International Olive Council, hereinafter referred to as the IOC, deems it necessary to help to ensure the quality of the olive oils and olive-pomace oils sold on import markets in order to increase the effectiveness of its promotional activities and to achieve its key objectives of quality improvement, authenticity assurance and consumer protection,

Confirming the importance that the professional associations representing producers, exporters, importers and distributors of olive oil and olive-pomace oil place on the regular, orderly development of the import markets for such quality oils,

Convinced that, to contribute towards ensuring the regular development of the market, it is necessary to introduce a self-regulatory program including a monitoring system to promote fair trading in the olive oil and olive-pomace oil markets.

Having noted that the IOC is willing with no additional cost for the IOC budget to coordinate this action and to guarantee that it is correctly implemented by drawing on the services of recognised laboratories and tasting panels to carry out testing, as well as by distributing the updated physico-chemical and sensory methods of analysis to such laboratories and panels,

Have agreed as follows:

Parties to the Agreement

Article 1: Parties signatory to the Agreement

Only associations representing significant portions of the import markets may be signatories to the “Agreement for monitoring the quality and authenticity of the olive oils and olive-pomace oils sold on import markets” (hereinafter referred to as the Agreement).

Article 2: Obligations of the member firms and the signatory associations

The signatory associations agree, on behalf of their members, whether they be producers, exporters, importers or distributors of olive oil and olive-pomace oil on import markets, to the mandatory nature of the following for packed or bulk olive oils and olive-pomace oils exported to and sold on these markets, and undertake to require their members to comply (subject first to respect of and in compliance with the laws of the destination/import country) with: the designation, definitions, labelling rules, and physico-chemical and organoleptic standards for olive oils and olive-pomace oils as laid down in the IOC trade standard, except to the extent the standards or regulations applicable in the importing countries or local jurisdictions specify more stringent standards, or permit other designations, definitions or labelling criteria that are commonly used and understood in the markets in which the association’s member firms operate.

Article 3: Obligations of the IOC Executive Secretariat

The IOC Executive Secretariat shall undertake to facilitate the setting up, where necessary, of an association or equivalent body in certain importing countries which shall become a signatory association.

The Executive Secretariat shall be responsible for coordinating the implementation of the physico-chemical and organoleptic analyses according to the parameters and methods of analysis in the current IOC trade standard and shall chair the meetings of the signatory associations.

Article 4: Obligations of the signatory associations

The signatory associations shall undertake:

1. to collect, by purchase, samples of bulk-imported olive oils and olive-pomace oils as well as retail and foodservice packs of the olive oil and olive-pomace oil brands found on these markets, according to the procedures and arrangements specified in Attachment I and in line with the annual program and any recommendations issued at the meetings of the signatory associations for which provision is made in Article 11 below, which may include samples of the signatory association’s member firms;
2. to examine the labelling of the retail and foodservice packs collected as indicated above;
3. to establish whether or not the labelling complies with the rules referred to in the current IOC trade standard (or applicable local standard);
4. to ensure that the bulk samples of olive oils and olive-pomace oils and retail and foodservice packs collected are sent to the IOC (or to its designated agent) within a reasonable period of time.

Quality and authenticity testing

Article 5: Regular testing procedure

It shall be the responsibility of the IOC Executive Secretariat, or external and neutral company or companies appointed by the IOC Executive Secretariat, to carry out the following with all possible haste upon receipt of the samples:

1. To the extent samples are sent in original packaging (as opposed to blind samples), to examine and record whether or not the labelling for each pack is in order;
2. To the extent samples are sent in original packaging;
3. To have each sample analysed in accordance with the current IOC trade standard (COI/T.15/NC No. 3) by one of the IOC recognised laboratories, and in the case of virgin olive oils, one of the tasting panels officially recognised by the IOC following the annual proficiency testing. The report of such analyses will indicate whether the analysed oil is consistent with its grade or whether irregularities have been detected.
4. In the event the IOC Executive Secretariat has appointed a third-party agent or agents to conduct any of the foregoing activities on its behalf, the laboratories and tasting panels shall provide the report of their analyses directly to the IOC Executive Secretariat only. Under no circumstance shall the laboratories and tasting panels have access to the identity of the blind samples. The IOC Executive Secretariat will ensure a complete anonymisation of the samples, so that the analytical laboratories will not be able to access any information regarding the sample origin or producer.

Article 6: Notification of results under the regular testing programme

It shall be the responsibility of:

- (a) the IOC Executive Secretariat to notify the signatory associations as soon as possible, no later than 15 days upon receipt of laboratory and/or tasting panel analyses:
 1. To the extent the samples were sent in original packaging (as opposed to blind samples), whether the labelling complies with the rules specified in the current IOC trade standard or whether irregularities have been detected; and
 2. Whether the oil is analytically consistent or inconsistent with its grade and if inconsistent the reasons for its being downgraded.
- (b) the sample-collecting signatory association to notify the brand-owner (or the entity responsible for the brand based on best available information), or the packer (via the association representing the packer where available) in the case of a private label owned by a major retailer (hereafter referred to individually and/or collectively as “the responsible party”):
 - that a sample has been collected and tested under this Agreement;
 - whether the labelling was found to comply with the rules specified in the current IOC trade standard, and if not, why;
 - whether the oil was found to be consistent with its grade in accordance with the current IOC trade standard, and if not why;
- (c) the sample-collecting signatory association, in the event a product is found not to be consistent with grade, to determine in its sole discretion, based on the results and all relevant information

and circumstances (including but not limited to whether or not this is a repeat irregularity by the responsible party), what steps it shall take to meet the objectives of this Agreement and to ensure future compliance by the responsible party, including but not necessarily limited to requesting an explanation, requiring additional testing, offering the responsible party an opportunity for an appeal test at its own expense, contacting governmental authorities and/or up to taking direct legal action against the responsible party.

No information can be publicly released by the sample-collecting signatory association about the results of the analyses until at least 5 working days after notification has been given to the brand-owner on these data, and after receiving the data of the counter-analysis, in case the brand-owner appeals and asks for counter-analysis. The IOC Executive Secretariat shall be informed by the signatory association about any information publicly released.

Article 7: Appeal test

7.1. To the extent the responsible party has requested an appeal test in accordance with Article 6(c) above or Article 8.2 below, the IOC Executive Secretariat shall:

- (a) arrange for the appeal test to be performed at the earliest opportunity by a recognised laboratory or panel chosen by it from the list of IOC recognised laboratories or panels published on the IOC website. The laboratory must be different from the ones that conducted the first tests, the sample must be anonymous and the laboratory must not be aware that the sample has already been analysed by another laboratory;
- (b) examine the results of the appeal test indicating whether or not the oil is consistent with its grade;
- (c) communicate the appeal test results to signatory association within 15 days of the appeal test;

7.2. In the case of appeal test, the costs related to the appeal should be paid in advance by the brand-owner, for the analyses to be performed.

Article 8: Emergency testing procedure

8.1 In the event of an emergency sampling as referred to in Attachment I-B, the IOC Executive Secretariat shall notify the signatory association within no later than 15 days of the date of receipt of the product, whether the oil is analytically consistent or inconsistent with its grade, or organoleptically consistent or inconsistent in the case of extra virgin olive oil. If the analysis finds there was adulteration, the signatory association will also be notified of the proportion and type of oil that the laboratory estimates to be in the product.

8.2 In the event the emergency sampling reveals irregularities, the signatory association shall report the analytical irregularities to the responsible party, and advise the responsible party that an appeal test may be performed at its own expense.

8.3 If the appeal test confirms the analytical irregularities or if the responsible party concerned does not request an appeal test, the signatory association shall take appropriate actions as outlined in Article 6(c).

Article 9: List posted on the IOC website and removal of signatory associations

9.1 The signatory associations set up in the importing countries may elect to supply the IOC Executive Secretariat with the list of their member firms and to notify it yearly of any changes or updates.

- 9.2 The IOC Executive Secretariat shall draw up a list on its website entitled “Signatory associations in the IOC quality control programme”. Upon receipt of the information as in the Article 11.1, an additional list can be drawn up: “List of participant firms in the IOC quality control programme”. The IOC shall release this list and any updates on the IOC website, on an annual basis. This list shall indicate the firms that agree to be included and shall specify the brands they sell on those markets.
- 9.3 The IOC Executive Secretariat can remove the list of a firm from the list when recurrent irregularities are detected, for 12 months from any finding of irregularity. A firm may only be restored in the list during the following year, if subsequent testing shows its product to be complying with IOC norm.
- 9.4 The name of a signatory association can be also removed by the IOC Executive Secretariat in the case of such Association is not complying with the financial commitment established in Article 10, in particular for the payment of the annual contribution. The name of the association will be restored within 7 days or receiving the pending payment, if the payment is received within 3 months since the deadline given in the following Article 10.3; if the payment is made from 3 to 6 months after this deadline, the signatory association will have to pay an increased fee of 20%; after 6 months from the deadline no payment can be made anymore and the association is automatically excluded from the Agreement.

Financing of the quality and authenticity control programme

Article 10: Financial contribution of the associations

- 10.1 The signatory associations shall share in the expenses necessary for the quality and authenticity control of the olive oils and olive-pomace oils sold on import markets. The signatory associations shall pay a total contribution comprising fixed dues and dues proportional to the quantity of oils sold yearly in those countries by the member firms.
- 10.2 The entry fee to participate in this programme is 4 000 Euros for each signatory association. This budget gives the right to the signatory association to analyse up to 13 samples. Each association willing to analyse more than the base number of samples can do it by paying the additional expense, which is indicatively set as 300 Euros per sample and could be revised annually. This additional amount has to be paid in advance, and samples Will not be analysed until the transfer would be received by the IOC ES.
- 10.3 All signatory associations must pay their total annual contribution to the IOC during the last quarter of year calendar year (October-December) in advance of the following year. Any association that has not paid its contribution by 30 December may be deprived of its right to take part in decision-making concerning this Agreement; it shall not, however, be relieved of the obligations it entered into upon signing the Agreement.

If the contribution is not paid in full by 30 December, the associations concerned and their member firms shall be deprived of access to the documentation and private zone of the IOC web. The name of the association will be removed from the list of associations until the payment has been done. If the payment is not made within 6 months since this deadline, the association will be automatically excluded from the agreement and their name will not be restored in the IOC list, but their obligations for the calendar year will remain. The association will not have the right to ask to re-join the Agreement on the following year.

During the period in which the contribution is not paid by an association, the samples received from such association will not be analysed until payment is received by the IOC executive secretariat. The analyses will be performed, and results will be sent, upon receiving the payment.

Article 11: Management of the quality and authenticity control fund

The IOC Executive Secretariat shall have an independent bank account for the initial balance as at the date of this agreement with the associations, and the income that it may accrue (contributions or possible interest on the current account). The fund will be called the "fund of the programme for monitoring the quality and authenticity of olive oils sold on import markets." This fund will be held in a current account independent of the IOC treasury. The fund will be managed in accordance with the Financial Regulations of the IOC.

By signing this agreement, the signatory associations grant the banking authorities of the IOC Executive Secretariat with the powers to manage this fund in accordance with the provisions of its Financial Regulations.

If at any point the signatory associations agree by consensus to cease this agreement and its depending activities, and the IOC Executive Secretariat also agrees with this decision, the IOC shall distribute any surplus in the fund to the signatory associations in equal proportions, excluding those signatory associations that did not fulfil their financial obligations with regard to this agreement.

Article 11 (bis): Budget and annual report

Before the start of every year, the associations shall approve in writing the budget for income and expenses for the following year. The IOC shall abide by the amounts approved and shall not exceed them unless new incomes are made. If the associations do not pay their quotas, the corresponding part of the expenses will not be executed.

Once the financial year has finished, the IOC shall present a report on the income and expenses of the previous year, as well as bank account movements and the balance of the fund. This report shall be approved by the associations in conformity with the way the IOC has managed the fund that year.

Additional and final provisions

Article 12: Signatory Associations of the Agreement

A. Requests of entry as a signatory association

New Associations representing the interest of olive oil stakeholders representing a significant portion of the market in importing countries can ask to be signatory of this Agreement, by written request sent to the IOC Executive Director. The Association can be invited to one of the sessions of the bi-annual meeting of the signatory associations.

The IOC Executive Secretariat will decide whether the Association can join the Agreement, upon evaluating the request. The decision will be formalised at the second meeting of the year, when the Association is expected to sign the Agreement and to arrange the payment.

B. Requests for leaving the Agreement

Signatory associations that are willing to leave the signed Agreement should send a letter to the IOC Executive Secretariat, and should formally present their resignation at one of the bi-annual meetings. The activities (e.g. purchase and shipment of samples) should be still carried out during the calendar year in which the request has been made.

Article 13: Termination of the Agreement

- 13.1 This Agreement can only be terminated by a written decision taken by consensus of the signatory associations during the annual meeting, with the written approval of the IOC Executive Secretariat.

Article 14: Additional provisions

- 14.1 The associations that are signatories to this Agreement undertake to meet at least once a year, in a meeting chaired by the IOC, in order to:
- set the amount of the dues to be paid by each signatory association;
 - assess the situation on the basis of the indications and results that emerge from the testing procedure referred to in this Agreement; and
 - choose the importing countries where a specific number of samples will be determined for collection and to define the other aspects of the annual activity programme.
- 14.2 The associations that are signatories to this Agreement may be convened to an emergency meeting by the IOC Executive Secretariat, on the initiative of the Secretariat or at the request of one or more signatory associations. In such cases, the place and date of the meeting shall be agreed jointly by the parties involved.

Article 15: Final provisions

- 15.1 After being signed, the Agreement shall be renewed automatically each year, on the understanding that the signatory associations may withdraw from it provided they give notice of their withdrawal six months in advance of its expiry and they have settled in full their contributions for the year and any arrears.
- 15.2 The IOC reserves the right to exclude an association upon the automatic renewal of the Agreement or to cease activity with the association when the above provisions are not fulfilled. Specifically, if at 30 December of any given year, an association has not paid the annual contribution, the Executive Secretariat shall give it a last warning, and if the payment is not received within the following 6 months, the association will be automatically excluded from the Agreement and its national authorities shall be notified accordingly.
- 15.3 The provisions of this Agreement shall be applicable from 29 November 2019 and, from that date onwards, shall rescind the provisions set forth in the Agreement of 12 September 2011.

IN WITNESS WHEREOF, the undersigned, duly authorised thereto, have affixed their signature to the present Agreement on the date indicated below.

DONE at Madrid on 29 November 2019.

ATTACHMENTS

ATTACHMENT I - Olive oil sampling procedures for the quality and control programme

ATTACHMENT I

OLIVE OIL SAMPLING PROCEDURES FOR THE QUALITY CONTROL PROGRAMME

A. Systematic sampling

This sampling shall be conducted with the goal of representing fairly the "universe" of the olive oil sold in bulk or in immediate packing of a capacity of 5 litres or less on import markets. It shall be carried out at least once a year according to the following procedure:

1. Determination of the total number of retail and foodservice packs to be collected

Once a year, under the chairmanship of the IOC, the signatory associations shall meet to determine for each signatory association a suggested total number and/or specific identities of retail and foodservice packs to be collected and analysed on the basis of market volume, number of brands, previous experience and budgetary considerations. In the case the representative of an association is unable to attend, they have to send their written proposition about the number of samples in advance to the meeting. The signatory associations shall make best efforts within their reasonable discretion to comply with the recommendations from such meeting, if any, and with the following general guidance principles:

i) The selection process should aim at identifying the following products:

- Items sold by the signatory association's member firms
- Items established on import markets, in estimated ranking order of sales volume/availability and geographic origin.
- Items to be sampled because of a track record of past violations or doubtful quality or because recently introduced on these markets.

ii) The screening should involve both branded product and private labels, imported and domestically packaged products, and various sizes and types within each brand.

iii) Besides knowledge of the markets, selection should be based on as much factual information as is available including available statistics of the exporter countries and of the importing countries or other data such as Nielsen, etc.

iv) At least two-thirds of the final list of retail packs should comprise retail brands selected on a sales volume ranking basis. The minimum volume for each sample should be at least 1 litre.

v) The final list of foodservice packs should include, to the greatest degree possible, the product of foodservice distributors with large food sales. The breakdown of packs should align as closely as possible with the actual or estimated sales in the market where known.

2. Retail and foodservice packs

The items to be examined shall be purchased at stores or from foodservice distributors or end-users according to the criteria given in the above paragraph 1. They shall be collected by personnel who offer every guarantee as to discretion and objectivity and who are selected by the Executive Secretariat of the IOC or by the signatory association.

In the event the sample packs are sent to the IOC or its designated agent in their original packaging, a self-adhesive label bearing the following information shall be affixed to each retail or foodservice pack:

- Brand name
- Size of container
- Place of purchase
- Date of purchase
- Price
- Name of purchaser.

In the event the samples packs are sent as blind samples, they should be prepared in accordance with any specific instructions provided by the IOC.

Upon receipt by the IOC or its designated agent, the retail and foodservice packs shall be unpacked and inspected for integrity and compliance with any instructions of the Executive Secretariat of the IOC. In the case of errors, the IOC shall notify the signatory association.

If the IOC should need replacement samples because of breakage or spoilage during shipment, the signatory shall obtain a further retail or foodservice pack for shipment to the IOC after carrying out the labelling inspection.

3. Samples sending

The samples shall be sent directly to the IOC or, when applicable, to its designated agent which after inspection shall deliver the samples to the laboratories and tasting panels. The samples should be kept in good storage conditions according to IOC recommendations, and the time between sampling and shipping should be minimised. Note about the date of sampling and shipment should be taken by the signatory association, while it is responsibility of the IOC executive secretariat to note the date of sample arrival to the IOC headquarters or external company, and date of analysis.

4. Sharing the results of analysis

It is responsibility of the IOC Executive Secretariat to gather and share results of the analysis for all samples with all the signatory associations.

Once a year, the Executive Secretariat will send a report on the annual activity with information on the specific results. This information will not be publicly released, while the Executive Secretariat can publish, at its discretion, generic information on the activity and synthetic data without indication of the brands.

Signatory associations asking to receive the results after the analysis of each batch of samples, will receive such information from the IOC Executive Secretariat within 15 days after the IOC will receive the results from the laboratories.

5. Irregularities observed after analysis

Any irregularities shall be handled in accordance with Articles 6, 7, and 8 of the Agreement.

6. Record keeping

It is recommended that the signatory associations keep the following documents for at least 5 years:

- Lists of the items sampled at each collection session.
- Copies of the tests and correspondence related to observed irregularities.

The retail and foodservice packs:

- may be disposed of by the IOC after the signatory associations have been notified the results, in the case of retail and foodservice packs of product in which no irregularities have been found;
- may be disposed of by the IOC one year from the collection date in the case of the other retail and foodservice packs.

B. Specific sampling

1. Emergency sampling requests

Requests for emergency sampling of a specific product may be submitted by a signatory association. Such requests shall be submitted in writing, together with an explanatory statement, to the Executive Secretariat of the IOC.

The Executive Secretariat of the IOC shall determine if there is a basis for an emergency examination of a specific product so requested. If such is the case, it shall make provision for testing to be defrayed by the requester and it shall arrange for the procedure specified in Article 8 of the Agreement to be applied.

Criteria to be used to determine whether an emergency test of a particular product is appropriate include:

- its unusually low price;
- its recent appearance on the market;
- its short-lived appearance on the market;
- its irregular or misleading labelling;
- any other reasonable cause.

In the event an emergency collection is appropriate, the signatory association shall arrange for the purchase of the product, and for its express delivery to the IOC headquarters, or when applicable to the competent company, after carrying out the labelling inspection specified in section A.3, and shall notify the Executive Secretariat of the IOC of the shipment.

The Executive Secretariat of the IOC shall apply the procedure specified in article 8 of the Agreement.

2. Irregularities observed upon analysis

The IOC will undertake its best efforts to ensure that the signatory member receives complete test results for each sample as soon as possible.

Any irregularity shall be dealt with in accordance with the relevant provisions of the Agreement.

3. Record keeping

The provisions referred to in section A.5 shall also apply.
