

By Simonsen Buenos Aires - Argentina Newsletter N° 22 October 2017

New Control System for Approval of Holds/Tanks on Vessels and Barges

By Alejandra Moreno

As advanced in January this year with our Newsletter nbr 14, the National Sanitary Authorities (SENASA) has been implementing changes in the mandatory inspections of holds/tanks of vessels and barges, firstly by excluding all vessels shipping export cargos of meals, oils and any sub-products and now by means of exclusive requirement of intervention on behalf of the export country.

On October 19th 2017, SENASA has released their Resolution 693-E/2017 by means of which they have implemented a new control system for the approval of holds/tanks of vessels and barges. This new system grants special attention to the express request of the buying country for the intervention of SENASA in order to obtain the Holds Approval Certificate, creates a Registry for Holds Surveyors and Grains Experts and sets forth the guide lines for holds/tanks inspection to be applied by Control Companies when the intervention of the Official Authority is not required.

In this regard, please note below the main aspect of the Resolution:

- A Control System for Approval of Holds/Tanks of vessels and barges destined to export grains, its products and by-products is created and shall be effective as PILOT system for (ONE) year as from the date of enforcement of this Resolution, which will be as from November 1st 2017.
- Control Procedure. It divides into two categories:
- a) Operations that require official control of the holds/tanks: in cases in which the buying country requires an official approval certification of the holds/tanks, such inspection shall be requested and imparted by SENASA without requiring the intervention of any other control company or certification.
- b) Operations that do NOT require official control of the holds/tanks: in which cases if the buying country does not required official intervention, therefore the inspection and approval of such hold/tank shall be performed by any of the Control Companies registered in the Registry for Control Company and Certifiers of Grains and sub-products with export destination.
- Criteria for objection or rejection of holds/tanks: It shall be the objection or rejection of the hold or tank when they verify the presence of at least one (1) of the reasons listed here below, provided they are of a magnitude that could compromise fully or partially the condition and quality of the goods.

GET IN TOUCH

SIGVART G. J. SIMONSEN & Cia. S.R.L.

Mendoza 4002, C1430BRP Ciudad Autonoma de Buenos Aires Republica Argentina Email: companymail@simonsen.com.ar







(I) Live Insects or Arachnids:

The holds and tanks will not be considered suitable for the reception of cargo if the presence of live insects or Arachnids is detected.



(II) Loose Rust Scales.

The presence of rust removable at touch is considered reason for non-acceptance. To determine the presence of loose rust scales, the procedure involves exerting a slight pressure with gloved hand palm on the potentially loose rust scale, not using any other item or instrument.



III) Humidity over a significant area

It can be due to condensation, water washing or filtration. In the two (2) first situations, if the surface is small or forms a thin layer on the walls of the hold, it will be objected and indicated by the personnel of the ship to dry. In the case of leakage, if amendable, time will be granted for repair. Hold shall not be considered suitable if there are threads of water on the walls or puddles on the surface.



(IV) Damages that lead to leaks.

Damages caused by perforations or structural damage in ballast tanks may cause leaks. In such cases, if the presence of a thread of water with puddle in the bottom is detected during the inspection, hold will not be approved until the damage is repaired.



(V) Commercially Objectionable Odors.

For the purposes of this resolution, it is referred as odors that are commercially objectionable to those which cause pollution or deterioration of the goods.

Main objectionable odors that can be detected during the inspection usually correspond with loads of flour of fish, guano, chemicals, sulphur, painting or bilge due to lack of cleaning. In these cases, it will be allowed a reasonable time of ventilation, then close the hold/tank for an hour and, later the persistence of smells will be verified, in which case the hold will be rejected.

GET IN TOUCH

SIGVART G. J. SIMONSEN & Cia. S.R.L.

Mendoza 4002, C1430BRP Ciudad Autonoma de Buenos Aires Republica Argentina Email: companymail@simonsen.com.ar







(VI) Fresh Paint in a significant surface.

The presence of fresh paint should be detected through manual touch on the corresponding surface, and is conditions for rejection.



(VII) Polluting Residues of Previous Charges.

For the purposes of this resolution, polluting residues of previous charges refers to all those who may be in the hold or deck, able to contaminate the shipment to export from the phytosanitary point of view or the quality of the product. These may be: Iron ore, coal, sulphur, fertilizers, sugar, alumina, fishmeal, seeds of weeds and waste grains.



(VIII) Rodents or Droppings.

The hold will be rejected in all circumstances in which it is determined the presence of rodents or droppings.

(IX) Other reasons for rejection/objections.

Defective closing covers, poor or non-existent gaps between charges or loss of hydraulic fluid.

- -.Although no official intervention is required, SENASA shall still be the authority supervising any inspection requested and that shall be informed in due time, to resolve any conflict arising from the intervention of 2 or more control companies that do not agree on the hold/tank approval and to keep registry of all inspections and their results.
- -This Resolution shall be applicable to all river and maritime ports, roads, inlets, waiting areas, etc that may be considered suitable for the inspection.

Kindly find below a rough translation of the full Resolution:.

GET IN TOUCH

SIGVART G. J. SIMONSEN & Cia. S.R.L.

Mendoza 4002, C1430BRP Ciudad Autonoma de Buenos Aires Republica Argentina Email: companymail@simonsen.com.ar





SENASA (SERVICIO NACIONAL DE SANIDAD Y CALIDAD AGROALIMENTARIA)

City of Buenos Aires, 19/10/2017

SEEN the Dossier N $^{\circ}$ S05: 0005876/2017 of the Registry of the Ministry of Agro-industry, the Law N $^{\circ}$ 27.233, the Decree-Law N $^{\circ}$ 6.698 of August 9, 1963, Decree N $^{\circ}$ 1.585 of December 19, 1996, the Resolutions Nos. 302 of December 30, 1991 and 1075 of December 12, 1994, both from the Secretary of Agriculture, Livestock and Fisheries, 28 of February 7, 2005, the Secretary of Agriculture, Livestock, Fishing and Food, 44, on January 6, 1994 and 409 of 30 September of 1996, both of the former Institute Argentine Vegetal Health and Quality , 260 on June 6, 2014 as amended by its similar N $^{\circ}$ 37 of 26 January 2017, both of the National Service for Agri-food Health and Quality (SENASA in Spanish), and

WHEREAS:

That the Resolution No. 302 of 30th December 1991 from the Secretary of Agriculture, Livestock and Fisheries provides that certification of the quality of the grains and by-products exported may be carried out by the Agri-food Health and Quality (SENASA in Spanish), issued at present by the National Service of Health and Quality Food, or by certificates issued by private entities or other duly registered institutions for this purpose.

That by Resolution No. 44 of January 6, 1994, of the former Argentine Institute for Vegetal Health and Quality was created the Registry of Control Surveyors and Certifiers of Grains and Byproducts destined for export, establishing obligations and operational requirements for the control entities, which are subject to official control of this National Service.

The aforementioned entities are capable of the inspection and verification of basic conditions which holds must comply with for the correct reception of the load and, at the same time, these same entities currently verified similar requirements in the international contracts.

That through the Resolution number 1.075 of December 12, 1994 of the Secretary of Agriculture, Livestock and Fishing were adopted standards of quality, sampling and methodology applied to grains and by-products.

That the Resolution No. 409 of September 30, 1996, of the former Argentine Institute for Vegetal Health and Quality sets the procedures for inspection and certification for vegetables in import, export and international transit.

That is considered within the concept of vegetables, grains, understanding as such the previsions in article 105 of the Decree-Law N $^{\circ}$ 6.698 9 August 1963, i.e., all fruit dry not intended for sowing of cereals, oilseeds and beans.

That the Resolution No. 28 of February 7, 2005 from the Secretary of Agriculture, Livestock, Fishing and Food adopted the Manual of procedures for inspection of holds.

The Resolution No. 260 on June 6, 2014 of the National Service for Agri-food Health and Quality set plant protection and control of quality of products and by-products of grains for export.

By article 1 of the law N $^{\circ}$ 27.233 is declared of national interest quality of raw product of peasant activities and the agri-food, as well as national and international trade of such products and by-products.

That article 2 of the aforementioned law declares the national rules of public order which regulate the development of actions to preserve the hygienic-sanitary condition of agricultural origin food.

Which, for its part, article 6 of the Act provides that for the fulfillment of assigned responsibilities and of the objectives set out in the National System of Food Control created by Decree N ° 815 of July 26, 1999, the SENASA will have competencies and powers specifically granted by legislation, being empowered to establish procedures and systems for public and private health and quality control of the animal and vegetal and federal traffic, import and export of products, byproducts and derivatives of animal and vegetable origin; these last in stages of production, transformation and storage, corresponding to its jurisdiction, products agri-food, veterinary drugs and plant protection, fertilizer and amendments, adapting control and hygienic-sanitary certification systems currently used.

That it is necessary, for reasons of structural reorganization and by virtue of the regionalization and operational decentralization of this national service, to readjust administrative aspects and the existing methodology for the inspection procedure and approval of any hold or tank of ship/barge to transport grains, their products and byproducts presented in bulk cargo destined for export.

According to the new policies set forth by the national Government in terms of competitiveness and reduction of costs, it is essential to optimize certain operational aspects, such as enabling holds and tanks of vessels and barges for export, using the services of companies specializing in the subject, but, at the same time, exerting proper control upon their actions through operational monitoring and the audit of their records, profession and capabilities.

That it has been observed that in many cases there may be a duplication of controls, adding unnecessary costs to the system and subtracting the grains, their products and by-products Argentine competitiveness.

GET IN TOUCH

SIGVART G. J. SIMONSEN & Cia. S.R.L.

Mendoza 4002, C1430BRP Ciudad Autonoma de Buenos Aires Republica Argentina Email: companymail@simonsen.com.ar





That it is necessary to adapt the existing operation through a new system of holds and tanks control prior to the loading of goods for export, for the purposes of ensuring compliance with the minimum essential requirements for the reception of grain, its products and byproducts in holds and tanks.

That Judicial Matters Office has taken intervention as per law.

That the undersigned is competent to enact this Act under the powers granted in article 6 of the law N° 27.233 and article 8, subparagraphs e) and f) of Decree No. 1.585 del19 of December 1996, replaced by his similar No. 825 of the 10 June 201 0.

Therefore,

THE PRESIDENT OF THE NATIONAL SERVICE FOR HEALTH AND AGRO-FOOD QUALITY

RESOLVES:

Article 1.- Control system of fitness for load of holds and tanks of vessels and barges for export of grains, their products and byproducts. Sets the control system ability of load of holds and tanks of vessels and barges for export of grains, their products and byproducts, which will operate as a pilot system for a period of one (1) year from the entry into force of the present resolution, and whose authority of application is SENASA.

Article 2.- Scope. Control system of fitness for load of holds and tanks of vessels and barges for export of grains, their products and byproducts applies in compulsorily to all holds and tanks destined for the burden of grains, their products and by-products with export destination requiring inspection of holds by this National Service.

Article 3.- Application scope. The concerned Control system is applicable in maritime and fluvial ports, roads, waiting areas, inlets, or anywhere else that is considered suitable for the verification of the set forth conditions.

Article 4.- Requirements to verify for approval of holds and tanks. The procedure for control of holds and tanks is intended to ensure that, prior to the start of the load, the following minimum essential requirements for the reception of grains, their products and byproducts in holds and tanks be complied with. The mentioned requirements replace those laid down in the Resolution No. 28 of February 7, 2005 from the Secretary of Agriculture, Livestock, Fishing and Food.

Subsection a) To determine that the holds and tanks are free from live insects, moisture, rust removable, objectionable odors, fresh paint, waste of previous charges, rodents, their droppings or other causes that could arise and alter the quality of the goods.

Subparagraph b) to apply the following criteria to object to or reject holds or tanks:

It shall be the objection or rejection of the hold or tank when they verify the presence of at least one (1) of the reasons listed here below,

provided they are of a magnitude that could compromise fully or partially the condition and quality of the goods.

(I) Live Insects or Arachnids

The holds and tanks will not be considered suitable for the reception of cargo if the presence of live insects or Arachnids is detected.

(II) Loose Rust Scales.

The presence of rust removable at touch is considered reason for non-acceptance, the procedure it can be removed during the inspection. The hold will not be considered suitable unless the situation is resolved.

To determine the presence of loose rust scales, the procedure involves exerting a slight pressure with gloved hand palm on the potentially loose rust scale, not using any other item or instrument.

Section III) Humidity over a significant area

It can be due to condensation, water washing or filtration. In the two (2) first situations, if the surface is small or forms a thin layer on the walls of the hold, it will be objected and indicated by the personnel of the ship to dry. In the case of leakage, if amendable, time will be granted for repair. Hold shall not be considered suitable if there are threads of water on the walls or puddles on the surface.

(IV) Damages that lead to leaks.

Damages caused by perforations or structural damage in ballast tanks may cause leaks. In such cases, if the presence of a thread of water with puddle in the bottom is detected during the inspection, hold will not be approved until the damage is repaired.

(V) Commercially Objectionable Odors.

For the purposes of this resolution, it is referred as odors that are commercially objectionable to those which cause pollution or deterioration of the goods.

Main objectionable odors that can be detected during the inspection usually correspond with loads of flour of fish, guano, chemicals, sulphur, painting or bilge due to lack of cleaning. In these cases, it will be allowed a reasonable time of ventilation, then close the hold/tank for an hour and, later the persistence of smells will be verified, in which case the hold will be rejected.

(VI) Fresh Paint in a significant surface.

The presence of fresh paint should be detected through manual touch on the corresponding surface, and is conditions for rejection.

(VII) Polluting Residues of Previous Charges.

GET IN TOUCH

SIGVART G. J. SIMONSEN & Cia. S.R.L.

Mendoza 4002, C1430BRP Ciudad Autonoma de Buenos Aires Republica Argentina Email: companymail@simonsen.com.ar





For the purposes of this resolution, polluting residues of previous charges refers to all those who may be in the hold or deck, able to contaminate the shipment to export from the phytosanitary point of view or the quality of the product. These may be:

Iron ore, coal, sulphur, fertilizers, sugar, alumina, fishmeal, seeds of weeds and waste grains.

(VIII) Rodents or Droppings.

The hold will be rejected in all circumstances in which it is determined the presence of rodents or droppings.

(IX) Other reasons for rejection/objections.

Defective closing covers, poor or non-existent gaps between charges or loss of hydraulic fluid.

Article 5.- Control procedures. The verification of the fulfillment of the requirements for approving holds and tanks shall be carried out using the following control procedures:

(a) Operations which require official controls of holds/tanks: for cases of official controls of holds/tanks requirement on behalf of buyer countries, the applicant must request the official services of the SENASA for the purposes of obtaining the certification of cargo, without requiring the intervention of a control and certification entity.

(b) Operations that do not require official intervention of holds/tank: when the buyer country does not require official intervention of holds/tanks, verification of suitability of load must be carried out by any of the certified companies registered in the Control Surveyors and Certifiers of Grains and By-products destined for export, created by the Resolution No. 44 of January 6, 1994, of former Argentine Institute for Vegetal Health and Quality

Article 6.- Operational procedure. In order to verify compliance with the requirements laid down in article 4 of the present resolution, the control system of approval for load of holds and tanks of vessels and barges for export of grains, their products and by-products, including the following operating procedures:

Subsection a) official Control: shall be as provided for in item 4 $^{\circ}$ of the present resolution.

Subparagraph (b)) verification by control companies: the procedure as described below shall be carried out as:

(I) the maritime agency shall submit the approval request to any of the Registered Control Companies in the registered in the Control Surveyors and Certifiers of Grains and By-products destined for export and duly inform the SENASA of date, estimated time where will be held the inspection, place where will be the same and number of IMO (International Maritime Organization). This notice must be made with twenty-four (24) hours in advance, without prejudice that will be reduced with the prior approval of the Agency.

(II) The required company shall proceed to perform on-site verification of compliance with the current legislation, with the exclusive participation of control surveyors accredited by the SENASA and, if appropriate, certify the condition for approval of the hold/tank.

Also, it should communicate the decision to this national service, with the corresponding document support (documents and/or photographic or audiovisual material, if any).

(III) The SENASA will establish the electronic documentary system that will perform the corresponding proceedings and communications. Until the same has not been implemented, or when it has not been available for other cause, communications will be carried out in written form.

Article 7.- Intervention and supervision of the operation of the system by the SENASA. SENASA will develop the following actions:

Subsection a) To receive the designations of control companies responsible for the tasks of verification holds. Subparagraph (b)) To receive the hold/tank approval certificates issued by the companies of control.

Subsection c) To supervise the tasks of verification on the basis of risk analysis and technical audits to the authorized control companies. Where discrepancies between the supervisor of the SENASA and the corresponding Verifier will be presented, the first will inform to their superiors, who shall issued on the relevance of the corresponding approval of the hold/tank.

Subparagraph d) if two (2) or more control companies are acting simultaneously and there is no coincidence in their decisions, any of the parties may request the intervention of the SENASA for the purpose of settling the conflict. In this case, the official opinion shall be final.

Article 8.- Registry of Hold Surveyor. It is created the authorized holds surveyor registry that will depend on the Direction for National Food Safety which depends on the Food Quality and Suitability Direction of this National Service. For this purpose, the following requirements are set:

Subsection to) submit application for registration personally or through a registered company's control.

Subparagraph (b)) be registered in the Single Registry of Agri-Food chain (RUCA in Spanish), in the case of experts classifiers of cereals and oilseeds.

Subparagraph (c)) comply with the specific training that will be provided for these tasks.

Article 9.- Delegation of authority. Be granted to the Direction for National Food Safety which depends on the Food Quality and Suitability Direction of this National Service, the power to make available the supplementary procedures that are necessary for the purpose of implementing its effective functioning. This direction will issue technical opinions that correspond to the interpretation of the present regulations.

GET IN TOUCH

SIGVART G. J. SIMONSEN & Cia. S.R.L.

Mendoza 4002, C1430BRP Ciudad Autonoma de Buenos Aires Republica Argentina Email: companymail@simonsen.com.ar





Likewise, and for this purpose, the Direction of Technology Information depending on the National Technical and Administrative Direction it is instructed to develop within a period of sixty (60) days of its entry into force, the computer system referred to in the Article 6 of the present resolution, to be operated online.

Article 10.- Exception. In the operations that do not require official intervention, the application will be exempted from:

Subsection a) Resolution No. 28 of February 7, 2005 from the Secretary of Agriculture, Livestock, Fishing and Food.

Subparagraph (b)) point 2.2 (inspection) of the Annex I - Administrative and Technical Procedures, in Module I of the Resolution No. 409 of September 30, 1996, of former Argentine Institute for Vegetal Health and Quality.

Subparagraph d) Norma XXIII (export of grains) of the Resolution number 1.075 of December 12, 1994 from the Secretary of Agriculture, Livestock and Fisheries, as appropriate.

Article 11.- Penalties. The offenders to this resolution are subject of the penalties which may be applicable in accordance with the provisions of chapter V of the law N $^{\circ}$ 27.233.

Article 12.- Incorporation. This resolution is incorporated into the third book, part one, title I, chapter II, section 7 and the third book, second part, title V, chapter I of normative Digesto thematic index of the national health and quality agrifood, approved by the Resolution No. 401 on June 14, 2010 and its complementary Nbrs on November 9, 2010, 800 416 September 19, 2014 and 445 October 2, 2014, all belonging to the mentioned National Service.

Article 13.- Entry into force. This resolution takes effect from the first working day of the month following its publication in the Official Gazette.

Article 14.- Be it communicated, published, given to the national official registry and filed . Jorge Horacio Dillon.

GET IN TOUCH

SIGVART G. J. SIMONSEN & Cia. S.R.L.

Mendoza 4002, C1430BRP Ciudad Autonoma de Buenos Aires Republica Argentina Email: companymail@simonsen.com.ar

