# ANQ Congress 2007, Incheon, Korea: THE RULER "THREE PARTIES" IN QUALITY CERTIFICATION SUPPLYING SERVICES

Prof. Dr Nguyen Quang Toan<sup>1</sup>, Dr. Ngo Van Nhon, MBA<sup>2</sup>

<sup>1</sup> Chairman, Vietnam Quality Association of Ho Chi Minh City (VQAH) Chairman, Vietnam ISO Club Director, International Quality Center IQC nguyenquangtoan@vietnamquality.org.vn <sup>2</sup> Vice-Chairman, Secretary General, Vietnam Quality Association of Ho Chi Minh City (VQAH) Director, Bureau For Trade Development (BTD) vqa.hcm@gmail.com

**Abstract.** Accreditation reduces risk for business and its customers by assuring them that accredited bodies are competent to carry out the work they undertake. Accreditation bodies which are members of the International Accreditation Forum, Inc. (IAF) are required to operate at the highest standard and to require the bodies they accredit to comply with appropriate international standards and IAF Guidance to the application of those standards. Accreditations granted by accreditation body members of the IAF Multilateral Recognition Arrangement (MLA), based on the equivalence of their accreditation programmes allows companies with an accredited conformity assessment certificate in one part of the world to have that certificate recognised everywhere else in the world.

Therefore certificates in the fields of management systems, products, services, personnel and other similar programs of conformity assessment issued by bodies accredited by members of the IAF MLA are relied upon in international trade.

ISOIEC Guide 62:1996 is an International Guide which sets out criteria for bodies operating assessment and certification/registration of organizations' quality management systems. If such bodies are to be accredited as complying with Guide 62 some Guidance to the Guide is necessary. These guidance notes provide it. One aim is to enable accreditation bodies to harmonise their application of the standards against which they are bound to assess certification/registration bodies. This is an important step towards mutual recognition of accreditation.

This topic will form the basis of mutual recognition agreements between accreditation bodies, certification bodies and certificated organizations. Description of the new paradigm of business analysis and the aims for a "win-win" situation for all business stakeholders and interest groups: investors, customers, emplyees, subcontractors, communities.

The ruler "Three parties" in quality certification supplying services will also be useful to certification/registration bodies themselves and to those whose decisions are guided by their certificates. This is also helped leaders in business recognise the trategic improtant of the interrelationship between their products, activities, services and their stakeholders.

## 1. Three basic principles of WTO

#### 1.1 Equality

Treating other people equally: Under the WTO agreements, countries cannot normally discriminate between their trading partners. Grant someone a special favour (such as a lower customs duty rate for one of their products) and you have to do the same for all other WTO members.

Treating foreigners and locals equally: Imported and locally-produced goods should be treated equally — at least after the foreign goods have entered the market. The same should apply to foreign and domestic

services, and to foreign and local trademarks, copyrights and patents. This principle of "national treatment" (giving others the same treatment as one's own nationals) is also found in all the three main WTO agreements (Article 3 of General Agreement on Tariffs and Trade -GATT, Article 17 of General Agreement on Trade in Services -GATS and Article 3 of Trade-Related Aspects of Intellectual Property Rights -TRIPS), although once again the principle is handled slightly differently in each of these.

National treatment only applies once a product, service or item of intellectual property has entered the market. Therefore, charging customs duty on an import is not a violation of national treatment even

## **1.2 Transparency**

Through binding and transparency: Sometimes, promising not to raise a trade barrier can be as important as lowering one, because the promise gives businesses a clearer view of their future opportunities. With stability and predictability, investment is encouraged, jobs are created and consumers can fully enjoy the benefits of competition — choice and lower prices. The multilateral trading system is an attempt by governments to make the business environment stable and predictable.

The system tries to improve predictability and stability in other ways as well. One way is to discourage the use of quotas and other measures used to set limits on quantities of imports — administering quotas can lead to more red-tape and accusations of unfair play. Another is to make countries' trade rules as clear and public ("transparent") as possible. Many WTO agreements require governments to disclose their policies and practices publicly within the country or by notifying the WTO. The regular surveillance of national trade policies through the Trade Policy Review Mechanism provides a further means of encouraging transparency both domestically and at the multilateral level.

#### **1.3 Competition**

Promoting fair competition: The WTO is sometimes described as a "free trade" institution, but that is not entirely accurate. The system does allow tariffs and, in limited circumstances, other forms of protection. More accurately, it is a system of rules dedicated to open, fair and undistorted competition.

The rules on non-discrimination — Most-favoured-nation (MFN) and national treatment — are designed to secure fair conditions of trade. So too are those on dumping (exporting at below cost to gain market share) and subsidies. The issues are complex, and the rules try to establish what is fair or unfair, and how governments can respond, in particular by charging additional import duties calculated to compensate for damage caused by unfair trade.

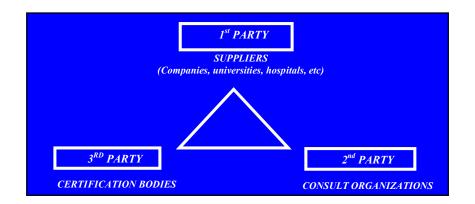
Many of the other WTO agreements aim to support fair competition: in agriculture, intellectual property, services, for example. The agreement on government procurement (a "plurilateral" agreement because it is signed by only a few WTO members) extends competition rules to purchases by thousands of government entities in many countries. And so on.

# 2. Situation of the ruler "three parties" in quality certification supplying services

## 2.1 QMS ISO 9001:2000 Certification (according to WTO):

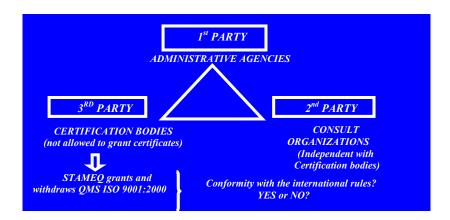
- > 1<sup>st</sup> Party (Supplier/Certificated organizations) is companies, universities, hospitals, etc.
- ➢ 2<sup>nd</sup> Party (Consult organizations)
- ➤ and 3<sup>rd</sup> Party (Certification bodies)

They must be fully independence of services.



#### 2.2 QMS ISO 9001 in Public Services (According to Vietnam)

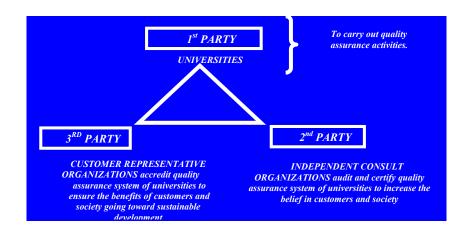
- Decree No. 144/2006/QĐ TTg issued by Vietnamese Primer Minister: "Period of 2006-2010, all state administrative agencies from ministries to communes/wards must complete to apply QMS ISO 9001:20000...".
- ▶ 1<sup>st</sup> Party (Administrative agencies)
- $> 2^{nd}$  Party (Consult organizations) must be independent of Certification bodies
- $> 3^{rd}$  Party (Certification bodies) are not allowed to grant certificates but Directorate for Standards and Quality (STAMEQ) will be allowed to grant and withdraw QMS ISO 9001:2000 certificates. Does this DO to conformity with the international rules?
- Certification bodies operate according to Guide 62:1996 and GD2:2005 of International Accreditation Forum (IAF);
- According to EN 45011, 012, 013, National Accreditation Commission as UKAS (U.K.), RAB (USA), RvC (Netherlands) ... were appointed by functional ministries belongs to government to accredited to the certification of certification bodies.
- ➢ Government should empower to Ministry of Science and Technology MOSTE accredited legal certification bodies in Vietnam and these bodies grant QMS ISO 9001:2000 certificates to public agencies of Vietnam. This DO is not only conformity with the world but also ensure the object and transparency.



#### 2.3 Quality Accreditation in Higher Education (According to the World)

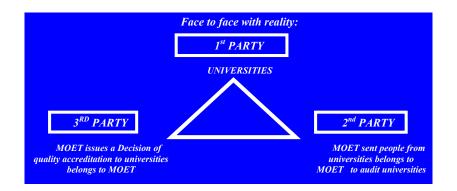
- $> 1^{st}$  Party (Universities) carries out quality assurance activities.
- $> 2^{nd}$  Party (Independent consult organizations) audit and certify quality assurance system of universities to increase the belief in customers and society.

 $> 3^{rd}$  Party (Customer's representative organizations) accredits quality assurance system of universities to ensure the benefits of customers and society going toward sustainable development.



#### 2.4 Quality Accreditation in Higher Education (According to Vietnam)

- ► 1<sup>st</sup> Party (Universities)
- $> 2^{nd}$  Party (Ministry of Education and Training MOET sent people from universities belongs to MOET to audit universities).
- ≥ 3<sup>rd</sup> Party (MOET issues a Decision of quality accreditation to universities belongs to MOET)



## 3. Conclusion

- ➤ The beneficiary of customers and society play a decision role in the process of QMS applications (ISO 9000, ISO 14000, ISO 22000, HACCP, SA 8000 ...)
- > To gain "CERTIFIED ONCE TIME, RECOGNIED EVERY WHERE", the consulting organizations, certification bodies and accreditation bodies must be fulfill independence of services. Like this, we ensure Object, Truth going toward Sustainable development.
- State administrative authorized or a ministry in charge to certify agencies belong to this ministry is not transparency. These above agencies are not yet the customer's representative and interest parities. This DO is not yet conformity with the principles of WTO and International Agreement.
- The applications of QMS (Quality Management System), EMS (Environmental Management System), and SSM (Social Security Management System) are having alert signs because people violate Ruler "Three parities".

We should positive recommend to quality professionals in order to re-control and review these nonconformities in the processes of assessment, certification and accreditation in our Asia countries.

## **Key Words**

- 1. Equality Transparency Competition
- 2. Ruler of Three parties
- 3. Certificated supplying services
- 4. QMS ISO 9001:2000 in public services
- 5. Accreditation in higher education.

## References

- 1. CEPAA, Guidance 1999: Guidance document for Social Accountability 8000, Council on Economiuc Priorities Accreditation Agency, New York, 1999
- 2. SAI, Social Accountability 8000, Social Accountqability Intyernational, New York, 2001
- 3. William Kornblum, Sociology in a changing world, Harcourt Cxollege Publishers, Fifth edition, Orlando, USA, 2000
- International Accreditation Forum, Inc.:IAF Guidance on the Application of ISO/IEC Guide 62:1996, General Requirements for Bodies Operating Assessment and Certification/registration of Quality Systems, Issue 3 (IAF GD 2:2003)
- 5. Nguyen Quang Toan, ISO 9000&TQM, Setting up a quality management system and customer focus, National University, Ho Chi Minh City, Eightth edition, 2001
- 6. http://www.wto.org