

केंद्रीय मुहर विभाग-2

संदर्भ : कें.मु.वि-2/G-18

06 07 2020

विषय: अंकन शुल्क निर्धारण और अंकन शुल्क में संशोधन के लिए मानक संचालन प्रक्रिया

सक्षम अधिकारी द्वारा अनुमोदित अंकन शुल्क निर्धारण और अंकन शुल्क में संशोधन के लिए मानक संचालन प्रक्रिया अनुपालन हेतु संगलन है।

सभी क्षेत्रीय / शाखा कार्यालयों से अनुरोध है की उपरोक्त मानक संचालन प्रक्रिया का अनुपालन तत्काल प्रभाव से सुनिश्चित / करे।

वी के रावत
वैज्ञानिक सी

प्रमुख, (कें.मु.वि.-2)

सभी क्षेत्रीय/शाखा कार्यालय

प्रतिलिपि:

आई टी एस विभाग - बी आई एस इंटरनेट पर डालने हेतु ।

CENTRAL MARKS DEPARTMENT-2

Our Ref: CMD-2/G-18

06 07 2020

Subject: Standard Operating Procedure for Fixation of Marking Fee and Revision of Marking Fee

Please find attached the Standard Operating Procedure (SOP) for Fixation of Marking Fee and Revision of Marking Fee duly approved by Competent Authority.

All ROs/BOs are advised to comply with the provisions of the SOP

V K Rawat
Scientist C

HCMD-2

ROs/BOs

Copy to:

ITSD – with a request to host on intranet

Standard Operating Procedure(SOP) for Fixation of Marking Fee and Revision of Marking Fee

Marking fee Guidelines for products under Conformity Assessment Scheme-I of Schedule-II of BIS (Conformity Assessment) Regulations, 2018, were circulated vide CMD-2 note ref: CMD-2/G-18 dated: 03 01 2019.

Since the marking fee proposals come from various ROs/BOs a need was felt to specify SOP for the same. Accordingly, procedures as mentioned below are to be followed while fixing/ revising/ implementing the marking fee:

A.0 Fixation of marking fee for products (cases other than revision)

Marking fee proposal shall be submitted to relevant CMD for finalization by Marking Fee Committee.

The product should meet the following criteria:

- i. Indian Standards for which marking fee is not mentioned in BIS Conformity Assessment Regulations as well as in circulars, hosted by CMD-2 on tentatively fixed marking fee for products, issued since September 2018.
- ii. Indian Standards for which no licence exists as on date, regardless that licences were held for the product previously.

Relevant CMD: CMD-2 oversees Marking Fee for FAD,MTD,CHD,TXD & PCD products

CMD-3 oversees Marking Fee for MED,CED,TED,ETD,WRD,PGD, MHD & LITD.

A.1 PROCEDURES

Components required for calculation of marking fee may be obtained from applicant for the products:

INPUTS TO BE OBTAINED FROM APPLICANT

- i. Status of firm (MSME/LS)
- ii. Production Capacity of the manufacturer
- iii. Cost per Unit Production
- iv. Cost of Market Sample for most common variety
- v. Quantity of market sample required for testing in laboratory
- vi. Testing charges of laboratory, wherever applicable.

2. In case certification of products is operated on factory testing basis, number of mandays required for testing of samples shall be obtained.

<p>CRITERIA TO BE ADOPTED FOR DECIDING VALUE OF EACH COMPONENT</p>	<p>1. Production Capacity of the manufacturer: The declared production capacity by the manufacturer is to be validated. For this purpose, manufacturer may be asked to substantiate the declared production capacity through MSME certificate / factory license / any certificate issued by a Government Department.</p> <p>2. Cost per Unit Production: The cost per unit production is to be substantiated by the manufacturer through valid documents such as invoice, audited financials of previous year etc.</p> <p>3. Cost of market sample: The cost of market sample considered is to be of most common grade/type/size/variety drawn, wherever applicable.</p> <p>4. Testing Charges component:</p> <p>a) BIS testing charges for ISS, which are available and complete.</p> <p>b) If there are no testing facilities (either complete or partial) in BIS labs and complete testing facilities exist in OSLs, the average of testing charges of all OSLs having complete facilities shall be considered as testing charges component.</p> <p>c) If there are no testing facilities (either complete or partial) in BIS labs and partial testing facilities exist in OSLs, the average of testing charges of all OSLs having testing facilities for maximum number of parameters, shall be considered as testing charges component.</p> <p>d) Where applicable, the most common grade/type/size/variety drawn by the BO is to be considered for the testing charges.</p> <p>e) Wherever licence is being operated on Factory Testing basis only, visit charges of BIS officers as per prevailing rates, for the total number of mandays, specified in Guidelines for the Conformity Assessment Scheme - I of Schedule - II in BIS (Conformity Assessment) Regulations, 2018, are to be considered for calculation of Marking Fee.</p>
<p>CALCULATION OF MARKING FEE</p>	<p>1. Following are components of minimum marking fee</p> <ol style="list-style-type: none"> i. Testing charges(2FS+2MS) ii. cost of market samples (2 MS) iii. BIS overhead expenses (37000/- as on date) <p>2. The marking fees to be calculated in the proforma enclosed at Annex-1</p> <p>3. Minimum Marking Fee shall always be rounded up to the next highest thousand.</p> <p>4. Fixation of Unit rate for MF:</p> <p>a) Unit Rate = $\frac{\text{Minimum Marking Fee of LS units}}{\text{Total production capacity}}$</p> <p>b) The unit rate so obtained may further be rationalized taking into account cost per unit production as also to have a similar unit rate for similar products. However, the proposed unit rate should invariably be not less than 0.01% & not more than 0.2% of the cost of production.</p> <p>c) Further, if required, different unit rates may be fixed for different slabs depending upon high volumes of production observed for the product.</p> <p>d) All Unit rates shall be rounded off to the multiple of 5 in the second decimal place (for paisa only).</p>

**SPECIAL
SITUATIONS TO BE
SUBSCRIBED WHILE
CALCULATING
MARKING FEE**

1. In case cost of market sample is high, then instead of two market samples cost of only one market sample may be considered by BO with due justification.

Note: Cost of few thousands may appear as high for one set of products (food) and the same may be deemed as nominal for other products (electrical). Accordingly, attempts to specify limits for defining cost of market sample as high are not considered in this document.

2. While considering the cost of market sample, it is to be ensured that the cost of quantity of sample that is available in market is to be taken into account rather than cost of quantity of sample that is required for testing.

Eg: Sample of a product is available in market in packets of 1 kg, 5 Kg, 10kg. However, sample required for independent testing is only 500g. In that case cost of 1 kg of sample is to be considered rather than cost of 500g sample.

3. In case of bulky products which are difficult to transport, cost of market samples and testing charges for market samples may not be considered for marking fee calculation. However, since as prepared samples can be drawn during factory surveillance and sent to laboratory, testing charges for factory samples is to be considered for marking fee calculation for all such products.

4. In case there exist no BIS approved laboratory for the ISS and test facilities do exist in OSL, applicable testing charges of laboratory, where applicant sample has been sent for testing, to be taken.

5. If the testing charges are high because of particular tests such as type tests, which are generally required to be carried out once / twice in year / with lesser frequency, split for testing charges has to be obtained from laboratories.

In such cases out of the four samples either one / two / three sample(s) only may be considered for type tests as well alongside routine tests. Accordingly, the testing charge component for marking fee calculation will be testing charges of routine tests of four samples and testing charges of type tests for one / two / three samples, as applicable. (For sample calculation of marking fee, refer Annex-2)

6. In some instances, both the situations mentioned at 1 and 5 may be applicable. For such cases, testing charge component for marking fee calculation will be charges incurred for testing which include routine tests for two samples(1 MS + 1 FS) or three samples(2 FS+1 MS) and type tests for one sample(1 FS or 1 MS) or two samples(1 MS + 1 FS), as applicable. (For sample calculation of marking fee, refer Annex-3)

Explanatory Note: Reduction in number of samples/number of parameters to be tested with reduced frequency may help in rationalizing the calculated marking fee to that of similar products.

<p>FORWARDING DRAFT MARKING FEE PROPOSAL FROM BO to CMDs THROUGH DDGR</p>	<p>1. The marking fee calculation complying with the procedure enlisted here shall be prepared by IO/DO and submitted to Head BO.</p> <p>2. BO, while scrutinizing the application, should parallelly process the MF proposal. Head BO should ensure that such proposals should reach CMDs through DDGR within 15 days of recording of the application or 7 days of the PI, whichever is earlier.</p> <p>3. In case another Branch Office also is processing an application on all India first basis simultaneously, Head BO should forward the marking fee proposal only after consulting CMD-2/CMD-3.</p>
<p>TABLING DRAFT MARKING FEE PROPOSALS BEFORE MARKING FEE COMMITTEE</p>	<p>1. The marking fee proposals are to be forwarded by BO to CMD-2 & CMD-3 for respective products dealt by them.</p> <p>2. The draft marking fee proposals received from BOs to be examined by CMD-2/CMD-3, as applicable. CMDs shall submit the proposal to DDG(cert.) for obtaining concurrence for tabling the proposal before marking fee committee.</p>
<p>DISSEMINATION OF TENTATIVELY FIXED MARKING FEE</p>	<p>1. Consequent upon obtaining approval of the minutes for the marking fee committee meeting wherein marking fee for new products are finalized, approval for tentatively fixing the marking fee for new products is to be sought from DG. Subsequently, the same is to be forwarded to CMD-1 for further action.</p> <p>2. Also the details of tentatively fixed marking fee for new products are to be circulated to all BOs for compliance.</p> <p>3. The tentatively fixed marking fee for new products is to be fed in Marking Fee master in Manak-Online by CMD-2 and CMD-3, as applicable.</p>
<p>ACTION FOR INCORPORATING IN BIS(CA) REGULATIONS,2018</p>	<p>CMD-1 would take up further action with Bureau Sectt for incorporating the marking fee for new products in BIS(Conformity Assessment) Regulations, 2018.</p>
<p>ACCEPTANCE OF TENTATIVE MARKING FEE</p>	<p>BOs should ensure that Acceptance to Tentative marking fee for new products is submitted by all Applicants (Refer Annex-4 for the format).</p>
<p>SAMPLE DRAWAL GUIDELINES</p>	<p>Wherever, reduced frequency or reduced number of samples are considered for marking fee revision, CMD-2/CMD-3 shall either mention it in product manual suitably or issue product specific guidelines such that samples tested during operation of licences by BOs should be homologous to that considered in marking fee calculation.</p>

B.0 Reviewing/ revising of marking fee for products

The procedures to be followed while reviewing marking fee for products, which would be eventually submitted to Marking Fee Committee for finalization by relevant CMD are mentioned below.

B.1 PROCEDURES

PERIODICITY OF MARKING FEE REVISION	The periodicity of revision of marking fee against an ISS is entrusted with CMD-2/CMD-3, complying with guidelines ref:CMD-2/G-18 dated:03/01/2019(Subject: Periodicity and Timelines for revision of Marking Fee for Conformity Assessment Scheme – I of Schedule – II of BIS (Conformity Assessment) Regulations, 2018).
IDENTIFICATION OF BOs BY CMD-2/CMD-3 FOR OBTAINING MF PROPOSALS	<p>On identifying an ISS for reviewing marking fee, draft proposals for marking fee revision are to be obtained by CMD-2/CMD-3 from BOs operating licence for the product.</p> <p>In this regard, CMD-2/CMD-3 may pursue the draft proposal for revision from the BO operating maximum number of licences, involving large scale industries. In case there are no large scale licences for that product in any of the BOs, data pertaining to MSME may be obtained.</p>
INPUTS TO BE OBTAINED FROM LICENSEES BY BOs	<p>1. The main components required for calculation of marking fee and required to be obtained from licensees are:</p> <ul style="list-style-type: none">i) Production Capacityii) Cost per Unit Productioniii) Cost of Market Sample for most common variety. <p>2. In case of products operated on factory testing basis, number of mandays required for testing of samples to be obtained.</p> <p>3. BO processing revision of marking fee, on receipt of request from relevant CMD, shall consider requisite inputs for marking fee calculation from licensees held by large scale manufacturers (or MSME, in case there are no LS licences for that product) with most common variety/grade/ type of the product in their licence scope.</p>
CRITERIA TO BE ADOPTED FOR DECIDING VALUE OF EACH COMPONENT	<p>1. Production Capacity of the manufacturer: The declared production capacity by the manufacturer to be validated utilizing previously submitted renewal applications.</p> <p>2. For Cost per Unit Production, Cost of market sample and Testing Charges the criteria mentioned under A.1 above prevails.</p>
CALCULATION OF MARKING FEE	Same as that mentioned under A.1 above

<p>FORWARDING DRAFT MARKING FEE PROPOSAL FROM BO TO CMDs</p>	<p>Head BO should ensure that within 30 days of receiving request from CMD-2/CMD-3 seeking draft MF proposal for revision, the marking fee proposal is to be prepared and forwarded to CMD-2/CMD-3.</p>
<p>SUBMITTING PROPOSALS TO CA FOR APPROVAL</p>	<ol style="list-style-type: none"> 1. Whenever the revision of MF is undertaken, if the proposed MF follows the general principles of marking fee fixation, then such cases shall be put up to DDG (Certification) for approval being the Chairman of the MF committee. 2. Only such cases which are proposed based on special situations and needs deliberation in the committee shall be put up to the committee with concurrence of DDG (cert.).
<p>TABLING DRAFT MARKING FEE PROPOSALS BEFORE MARKING FEE COMMITTEE</p>	<p>The draft marking fee proposals received are examined by CMD-2/CMD-3, as applicable, for compliance with procedure delineated here and submitted to DDG (cert.) for obtaining concurrence for tabling the proposal before marking fee committee.</p>
<p>ACTION FOR INCORPORATING IN BIS(CA) REGULATIONS,2018</p>	<p>Consequent upon receipt of copy of approved minutes of marking fee committee meeting, wherein revised marking fee for products were finalized, CMD-1 to take up further action with Bureau Sectt for incorporating the revised marking fee for products in BIS(Conformity Assessment) Regulations, 2018.</p>
<p>SAMPLE DRAWAL GUIDELINES</p>	<p>Wherever, reduced frequency or reduced number of samples are considered for marking fee revision, CMD-2/CMD-3 shall either mention it in product manual suitably or issue product specific guidelines such that samples tested during operation of licences by BOs should be homologous to that considered in marking fee calculation.</p>

STATUS- MSME/LS		BO-	
1 IS	Product:		
2 Installed capacity of the Plant:			
a) Production:			
i) Annual Production Capacity :			
ii) Value(Rs.):			
b) Cost of production(Rs.):			
3 Testing charges for complete testing per sample:			
i) BIS Lab(Rs.):			
ii) If BIS testing charges are not available, the average of prevailing testing charges of OSLs :(in Rs.)			
4 Cost of Market Sample:			
a) Quantity per Market Sample:			
b) *Cost of market sample (Rs.):			
5 Estimated Expenditure in Operating Licence Per Year of One Operative Period			
ITEM OF EXPENDITURE	NO.	RATE	AMOUNT
a) TESTING CHARGES			
i) ** FACTORY SAMPLES	1		
ii) MARKET SAMPLES	1		
b) COST OF MARKET SAMPLES	1		
c) DIRECT COST OF OVERHEAD			37000
TOTAL(in Rs.):			
6 Final MMF proposal			
i) LARGE SCALE (Rs.):			
ii) MSME(Rs.):			
7 Calculation for unit rate:			
i) Probable Unit Rate:(MMF of LS ÷ Production capacity)			
ii) 0.01% of cost of production(Rs.)			
iii) 0.2% of cost of production (Rs.)			
8 FINAL UNIT RATE: Unit- 1			
Slab-1 Rs ----- per unit for ALL UNITS			
Slab-2 Rs. ___ - ___ per unit for next ___ - ___ units,			
Slab-3 Rs. ___ - ___ per unit for remaining ___ - ___ units.			
*authenticated through market survey			
** in case of licence being operative on Factory testing basis, charges for mandays required for complete testing of the product twice in a year are to be considered			

(DO/IO)

Head BO

STATUS- Large Scale		BO-	
1 IS XXXXX : YYYY		Product: P P P P P P P	
2 Installed capacity of the Plant:			
a) Production:			
i) Annual Production Capacity :		175000 MT	
ii) Value(Rs.):		269500000	
b) Cost of production(Rs.):		1540 per MT	
3 Testing charges for complete testing per sample:			
i) BIS Lab(Rs.):		Not Available	
ii) If BIS testing charges are not available, the average of prevailing testing charges of OSLs :(inRs.)		77520@	
4 Cost of Market Sample:			
a) Quantity per Market Sample:		60 Kg	
b) Cost of market sample* (Rs.):		3.2 Per Kg	
5 Estimated Expenditure in Operating Licence Per Year of One Operative Period			
ITEM OF EXPENDITURE	NO.	RATE	AMOUNT
a) TESTING CHARGES			
i) FACTORY SAMPLES	1	77520	77520
	1	42520@	42520
ii) MARKET SAMPLES	2	42520@	85040
b) COST OF MARKET SAMPLES	2	192	384
c) DIRECT COST OF OVERHEAD			37000
TOTAL(in Rs.):			242464
6 Final MMF proposal			
i) LARGE SCALE (Rs.):243000			
ii) MSME(Rs.):195000			
7 Calculation for unit rate:			
i) Probable Unit Rate:(MMF of LS ÷ Production capacity)		1.4	
ii) 0.01% of cost of production(Rs.)		0.2	
iii) 0.2% of cost of production (Rs.)		3.1	
8 FINAL UNIT RATE: Unit– 1 Ton			
Slab-1 Rs 1.4 per unit for ALL UNITS			
Slab-2 Rs. ___ - ___ per unit for next ___ - ___ units,			
Slab-3 Rs. ___ - ___ per unit for remaining ___ - ___ units.			
@Testing charges excluding shrinkage test			
* Authenticated through market survey.			
As testing charges are very high for complete testing, it is proposed that one factory sample only will be tested for all requirements and other factory sample and market samples will be tested for all requirements except drying shrinkage test.			
Note: The rates mentioned are for illustration only and do not form basis for criteria to decide testing charges as high.			

(DO/IO)

Head BO

STATUS- Large Scale		BO -	
1 IS xxxx:yyyy		Product: pppppp	
2 Installed capacity of the Plant:			
a) Production:			
i) Annual Production Capacity :		50000 PIECES	
ii) Value(Rs.):		1062500000	
b) Cost of production(Rs.):		212500 PER PIECE	
3 Testing charges for complete testing per sample:			
i) BIS Lab(Rs.):		Not available	
ii) If BIS testing charges are not available, the average of prevailing testing charges of OSLs :(inRs.)		97500	
4 Cost of Market Sample:			
a) Quantity per Market Sample:		1 Piece	
b) Cost of market sample* (Rs.):		2,50,000	
5 Estimated Expenditure in Operating Licence Per Year of One Operative Period			
ITEM OF EXPENDITURE	NO.	RATE	AMOUNT
a) TESTING CHARGES			
i) FACTORY SAMPLES	2	97500	195000
ii) MARKET SAMPLES [@]	0	0	0
b) COST OF MARKET SAMPLES [@]	0	0	0
c) DIRECT COST OF OVERHEAD			37000
TOTAL(in Rs.):			232000
6 Final MMF proposal			
i) LARGE SCALE (Rs.): 232000			
ii) MSME(Rs.): 186000			
7 Calculation for unit rate:			
i) Probable Unit Rate:(MMF of LS ÷ Production capacity)		4.65	
ii) 0.01% of cost of production(Rs.)		21.25	
iii) 0.2% of cost of production (Rs.)		425	
8 FINAL UNIT RATE: Unit– 1 PIECE			
Slab-1 Rs 21.25 per unit for ALL UNITS			
Slab-2 Rs. _____ per unit for next _____ units,			
Slab-3 Rs. _____ per unit for remaining _____ units.			
<p>[@]As the product is not readily available in open market and sample is too costly i.e Rs 2,50,000, hence considering the above factors, Testing charges for market sample and cost of market sample are waived off.</p> <p>* Authenticated through market survey.</p> <p>Note: The rates mentioned are for illustration only and do not form basis for criteria to decide testing charges as high.</p>			

(DO/IO)

Head BO

ACCEPTANCE OF RATE OF TENTATIVE MARKING FEE

This is with reference to your letter No.....dated..... on the subject mentioned above.

We hereby agree to pay the tentative marking fee to Bureau of Indian Standards after grant of licence to use the Standard Mark on

according to IS..... at the following rates and in the manner stipulated as under till the time Marking Fee is specified under Scheme-I of Schedule- II in Bureau of Indian Standards (Conformity Assessment) Regulations, 2018:

i) Rate of marking fee:

The marking fee is payable as follows:

- (a) The minimum marking fee shall be paid in advance for the validity period of the licence.
- (b) Actual marking fee for the first year shall be calculated by multiplying the unit rate with the quantity (units) marked during the first nine months.
- (c) Actual marking fee for subsequent years shall be calculated on year-to-year basis after the first nine months.
- (d) In case actual marking fee of the operative period exceeds advance minimum marking fee paid, difference between the actual marking fee calculated on the basis of quantum of production marked and minimum marking fee shall be paid to BIS by the licensee annually during renewal of licence.
- (e) After the marking fee against the above mentioned Indian Standard is specified under Scheme-I of Schedule- II in Bureau of Indian Standards (Conformity Assessment) Regulations, 2018, variation, if any, between the values specified and the above tentative marking fee will also be accepted and increase, if any, therein shall also be borne by us from its effective date without any contestation.
- (f) In case the marking fee is less than tentative marking fee no request for refund for the elapsed period will be raised by us.

Name of Authorized Signatory:

Place:

Designation:

Date:

Seal: