

Procedure for the Withdrawal of Certification Body Licensing

Textile Exchange grants licensing to *certification bodies* based on a licensing contract and the certification body's successful *accreditation* or application for accreditation with an authorized *accreditation body*. This procedure outlines the process and requirements to be followed when a certification body ceases to be licensed or accredited for Textile Exchange *standards*, whether that *withdrawal* is voluntary or involuntary (i.e. imposed by either Textile Exchange or the accreditation body).

Transfer of *scope certificates* as described in Section C - is only applicable when the certification body is no longer licensed for the applicable scope of *certification*.

NOTE: This document is not applicable for instances where an *organization* voluntarily choose to change certification bodies (see C3.4 and D1.5).

Section A - Implementation and References

A1.1 The following implementation timelines apply:

A1.1.1 The *Procedure for the Withdrawal of Certification Body Licensing V2.0* replaces the *Procedure for the Withdrawal of Certification Body Licensing V1.1*, is effective September 1, 2022, and may be used immediately.

A1.1.2 All *audits* and *assessments* conducted on or after December 1, 2022 shall be conducted using *Procedure for the Withdrawal of Certification Body Licensing V2.0*.

A2. Terms and Definitions

Refer to *TE-101 Terms and Definitions for Textile Exchange Standards and Related Documents* for definitions of terms used in these procedures. Defined terms are shown in italics in their first use in this document and further in the document for clarity.

A3. Reference Documents

A3.1 The following key documents are relevant to these procedures, and it is essential that they are used alongside this document:

NOTE: This is not an exhaustive list.

- A3.1.1 [ASR-101-V2.1 Accreditation and Certification Procedures for Textile Exchange Standards \(“ACP”\)](#);
- A3.1.2 [CCS-102 CCS Certification Procedures](#);
- A3.1.3 [ASR-103 Policy for Scope Certificates](#);
- A3.1.4 [ASR-104 Policy for Transaction Certificates](#);
- A3.1.5 [ASR-107 Certification Fee Structure](#); and
- A3.1.6 [TE-301 Standards Claims Policy](#)

Section B - Withdrawal of Certification Body Licensing

In situations where certification body licensing is withdrawn and the certification body is unable to continue providing normal services to its clients, this procedure and set of requirements enables certified clients to access other *certification* services by transferring their scope certificates to another certification body.

B1. Voluntary Withdrawal

B1.1 If a **certification body chooses to withdraw** from offering certification for one or more Textile Exchange standards, Textile Exchange recommends that the certification body request to remain licensed for up to one year (the “contract phase-out period”) to allow the certification body’s clients to transfer their scope certificates upon recertification (see ACP D4.12 Transfer of Scope Certificates). If a contract phase-out period is approved by Textile Exchange:

- B1.1.1** The certification body shall withdraw or transfer to another certification body each scope certificate issued to Textile Exchange Standard(s) within 90 calendar days of certification body licensing contract termination.

NOTE: The certification body may refer to their annual licensing contract for more details.

- B1.1.2** The certification body shall advise all affected clients of their withdrawal in a timely manner to allow for scope certificates to be transferred.

- B1.1.3** The certification body shall not issue or re-issue any scope certificates during the contract phase-out period but may add *products* to a scope certificate in cases where no additional auditing is required by the certification body or according to the relevant Textile Exchange normative document (e.g. standard, certification procedures).
- B1.1.4** Textile Exchange shall waive certification body licensing fees which would ordinarily be invoiced during the contract phase-out period (fees are typically invoiced in January).
- B1.1.5** The certification body shall continue to offer client management services including issuing *transaction certificates*, authentication of certificates, and investigation of complaints for all active scope certificates during the contract phase-out period. And
- B1.1.6** Section C - of this procedure with the exception of C1.4 shall not apply.

B1.2 If a certification body **chooses to withdraw from offering certification for specific standard or geographic scopes** (e.g. specific countries):

- B1.2.1** Textile Exchange recommends that the certification body request to remain licensed for that scope for up to one year (the “contract phase-out period”) to allow the certification body’s clients to transfer their scope certificates upon recertification (see ACP D4.12).
- B1.2.2** If a contract phase-out period is approved by Textile Exchange, the conditions of B1.1 of this procedure shall apply, with the exception of **B1.1.4**.
- B1.2.3** Textile Exchange may determine a shorter contract phase-out period according to the results of an assurance integrity risk assessment conducted by Textile Exchange at the time of certification body withdrawal.

B1.3 If the certification body chooses not to maintain licensing through a contract phase-out period or if the certification body’s request is denied by Textile Exchange, Section C - of this procedure shall apply.

NOTE: A request for a contract phase-out period will not prevent Textile Exchange from proceeding to withdraw licensing in accordance with section B2 where this is deemed necessary.

B2. Involuntary Withdrawal

B2.1 Textile Exchange may provide notice based on the terms of the certification body's licensing agreement that the agreement will be either withdrawn or will not be renewed in any of the following situations:

- B2.1.1** *Suspension* or withdrawal of accreditation by the accreditation body.
- B2.1.2** Three or more accreditation suspensions of a certification body by any accreditation body in the lifetime of a certification body's licensing with Textile Exchange. Textile Exchange will consider this situation as grounds for permanently revoking the certification body licensing agreement.
- B2.1.3** Contract non-renewal or termination decision (not related to conformance issues) by either or both parties.
- B2.1.4** Identification of substantial issues by the accreditation body in the course of an assessment.
- B2.1.5** Identification of issues by Textile Exchange which the accreditation body cannot or will not address (e.g. inability for the certification body to meet Textile Exchange data requirements).
- B2.1.6** Non-payment of fees owed to Textile Exchange (see *ASR-107 Certification Fee Schedule*). And/or
- B2.1.7** The certification body grace period for meeting accreditation requirements has expired and the certification body has not achieved accreditation.

B2.2 The certification body shall advise all affected clients of the certification body's withdrawal in a timely manner to allow for scope certificates to be transferred (see requirements in Section C -).

NOTE: Textile Exchange will refer technical issues identified with a certification body to the accreditation body as an initial step but reserves the right as scheme owner to determine specific conditions of withdrawal with each certification body.

B3. Accreditation Body Responsibilities

- B3.1** The accreditation body shall remain responsible for the oversight of the certification body's operations until 90 calendar days after the withdrawal of accreditation or until the end of the transfer period (see C1), whichever is sooner.
- B3.2** The accreditation body shall coordinate with Textile Exchange regarding information and data about certification body conformance with accreditation requirements and the requirements relevant to scope certificate issuance and transfers.

B4. Textile Exchange Responsibilities

- B4.1** Textile Exchange may provide oversight of the coordination among the certification body, accreditation body, and *certified organizations* during withdrawal proceedings to ensure that efficient transfer of certification services supports certified organizations.
- B4.2** Textile Exchange may suspend or withdraw a certification body's licensing contract based on its scheme-level oversight and risk assessment responsibilities for upholding the integrity of the assurance process.
- B4.3** Textile Exchange shall liaise with the certification body to support the integrity of the certificate transfer process including transfer period (see C1), transfer requirements, transferred scope certificate data, and services for corresponding transaction certificates.
- B4.4** Textile Exchange may evaluate the data related to scope certificate transfers provided by the certification body to assess the following:
 - B4.4.1** Validity of active scope certificates that are undergoing transfer to another certification body.
 - B4.4.2** Integrity of the scope certificate data provided by the preceding certification body. And
 - B4.4.3** Assurance process irregularities identified through scope certificate transfer data requests that could impact the integrity of scope certificates during their transfer to another certification body.

Section C - Organization Transfers Under Certification Body Withdrawal

Transfer of scope certificates as described in Section C - is only applicable when the certification body is no longer licensed for the applicable scope of certification.

NOTE: This section is not applicable in instances where an *organization* chooses to change certification bodies (see C3.4 and D1.5).

C1. Transfer Period

C1.1 When a certification body's licensing with Textile Exchange is withdrawn or when the certification body chooses to withdraw from certification services for a particular Textile Exchange Standard or scope, clients shall be provided a 90-day "transfer period" by the certification body to allow them to transfer to another certification body. The transfer period may be shortened if any of the following apply:

- C1.1.1** *Sites* were certified under conditions not in conformity with Textile Exchange requirements (e.g. certification body did not have the required standard or geographic accreditation scope); and/or
- C1.1.2** The certification body and/or its certified clients are deemed an entity that poses a high risk to assurance integrity according to Textile Exchange's oversight and risk monitoring processes.

C1.2 During the transfer period, the certification body shall:

- C1.2.1** Continue to offer client management services including issuing transaction certificates (where permitted by the accreditation body and/or the conditions of withdrawal), authentication of certificates, and investigation of complaints for all remaining active scope certificates;
- C1.2.2** Not issue or re-issue scope certificates or extend the scope of a certificate in any way which requires additional auditing; and
- C1.2.3** Provide Textile Exchange with access to information about scope and transaction certificates.

C1.3 The certification body may make an arrangement with another certification body to recommend that clients be transferred to the other certification body. Regardless of such an arrangement, the certification body shall accept each client's choice of succeeding certification body and shall meet the requirements of ACP D4.12.

- C1.4** Any scope certificates not transferred to another certification body by the end of the 90-day transfer period (Section C -) or contract phase-out period (Section B -), whichever is latest, will be considered withdrawn.

NOTE: The timelines related to client transfers due to certification body withdrawal may differ from or be shorter than the timeline allowed under ACP D4.6.8 and D4.4.20. For the absence of doubt, the timelines prescribed in this procedure shall apply for all certification activities related to certification body withdrawal.

C2. Steps for Preceding Certification Body

- C2.1** When an organization provides a written request to change certification bodies due to their certification body's licensing withdrawal, the preceding certification body shall:
- C2.1.1** Maintain an active scope certificate for the organization until the scope certificate expires or until the succeeding certification body issues a scope certificate (see C3.1.2), whichever occurs first. An exception is if the organization, accreditation body, or Textile Exchange requires an earlier withdrawal of the certificate;

NOTE: An organization cannot be certified at the same time under two scope certificates. See C3.1.2.

 - C2.1.2** Communicate within 14 calendar days with the succeeding certification body upon receipt of written transfer request notification from the organization or the succeeding certification body;
 - C2.1.3** Notify the succeeding certification body if the organization has outstanding debts related to certification services;
 - C2.1.4** Submit to the succeeding certification body and Textile Exchange all client-related data and documentation as per ACP D4.12 and Section C3 of this document within 14 calendar days of the written transfer request notification from the client or succeeding certification body;
 - C2.1.5** The preceding certification body shall not withhold information, including unpaid fee balances of the organization, from the succeeding certification body for any reason (see C2.1.3); And
 - C2.1.6** Communicate to the organization within seven calendar days after receipt of a written transfer request notification and at a frequency subsequently agreed upon with the organization about:

- a. The status of certification body services and impacts on scope and transaction certificates due to the change in certification body; And
- b. The deadlines to submit transaction certificate applications in order for the preceding certification body to issue transaction certificates.

C3. Steps for the Succeeding Certification Body

C3.1 When the succeeding certification body has received a written notification to change certification bodies as a result of certification body withdrawal, the succeeding certification body shall first coordinate and cooperate directly with the preceding certification body (and not the certified organization) to:

- C3.1.1** Provide a written notification of the change to the preceding certification body and include a copy of the notification and subsequent response to Textile Exchange at assurance@textileexchange.org;
- C3.1.2** First receive confirmation from the preceding certification body that the valid scope certificate has been withdrawn before issuing a new scope certificate;
- C3.1.3** Obtain from the preceding certification body the last two audit reports and any other relevant information about non-conformities and corrective actions per ACP D4.12;
- C3.1.4** Obtain from the previous certification body existing inventory information and audit it to verify volume of actual inventory. If this information is not available or cannot be verified within 30 calendar days, the succeeding certification body shall consider the available claimed volume to begin with an available balance of zero;
- C3.1.5** Conduct an audit of *volume reconciliation* records based on C3.1.4; and
- C3.1.6** Coordinate with the preceding certification body to complete transaction certificate requests from the client in accordance with the timelines established in *ASR-104 Policy for Transaction Certificates*.

NOTE: See also ACP D4.12.

C3.2 When re-issuing a scope certificate previously issued by the preceding certification body whose licensing with Textile Exchange is withdrawn or who has chosen to withdraw from offering a specific scope of certification:

C3.2.1 The succeeding certification body shall do one of the following for each scope certificate:

- a. Conduct a full audit of the organization and issue a new scope certificate with a new expiry date. In this case, site fees shall apply (see *ASR-107 Certification Fee Schedule*); or
- b. Conduct a transfer audit as described in C3.5. This is an exemption to ACP D4.12.1. In this case, site fees shall not apply (see C3.5.5).

C3.2.2 The succeeding certification body may request flexibility from Textile Exchange in the issuance of transaction certificates to minimize certification service disruption to existing scope certificates. To request exemptions to the requirements of *ASR-104 Policy for Transaction Certificates*, the succeeding certification body may request documentary evidence from the client that the transaction certificate was already requested from the preceding certification body.

C3.2.3 Before approving unverified transaction certificates (not verified by the preceding certification body), the succeeding certification body shall verify financial *records* (e.g. bank receipt, SWIFT, LC, Income tax records) provided by the organization to confirm the purchase and sale of the *claimed materials* (see *CCS-102-V3.0 CCS Certification Procedures*, D2.1.2 and E2.1.1.f).

C3.3 The succeeding certification body shall obtain the following from the preceding certification body for each scope certificate:

C3.3.1 The preceding certification body's scope certificate number;

C3.3.2 The past two audit reports;

C3.3.3 Data regarding transaction certificates; and

C3.3.4 Annual volume reconciliation covering the last year of certification or validity period of the latest scope certificate (if the site has not been certified for a full year).

C3.4 A **transfer audit** is permitted when the certification body has been voluntarily or involuntarily withdrawn. A transfer audit is not permitted in cases where an organization chooses to change its certification body.

C3.5 A **transfer audit** shall be conducted by the succeeding certification body as follows:

C3.5.1 The certification body shall conduct a full audit of the organization, which may be conducted remotely.

C3.5.2 The certification body may rely on the preceding certification body's findings to address criteria related to visual inspection or to documentation which has not changed since the audit, except where this relates to a *non-conformity* issued during the last audit.

C3.5.3 The certification body shall issue a transferred scope certificate, which maintains the expiry date of the previous scope certificate issued by the preceding certification body.

C3.5.4 When a transfer audit has been conducted as part of the scope certificate transfer process, the certification body shall conduct an initial audit upon that scope certificate's next renewal. And

C3.5.5 No additional site fee from Textile Exchange shall apply at the time of the transfer audit.

C4. Transfer of Claim Approvals

Transfers of claim approvals from one certification body to another certification body may occur when a scope certificate is transferred. They may also occur when a *brand* obtains certification per *CCS-101 Content Claim Standard* and wants to transfer their claims to their succeeding certification body.

C4.1 A transfer of approved claims shall be conducted by the succeeding certification body as follows:

C4.1.1 The certification body shall obtain all relevant claim approval application forms and any associated artwork for each claim approval from the preceding certification body. And

C4.1.2 The certification body shall conduct a review of a minimum of 10% of the claim approvals and artwork to ensure conformity with the requirements set out in *TE-301 Standards Claims Policy* and *TE-302 Standards Logo Use Specifications*.

C4.2 If any irregularities are found in the review of approved claims issued by the preceding certification body, the succeeding certification body shall:

C4.2.1 Review another 10% of the claim approvals and artwork for requested claims transfers to ensure conformity with the requirements set out in *TE-301 Standards Claims Policy* and *TE-302 Standards Logo Use Specifications*. And

C4.2.2 Notify Textile Exchange at assurance@textileexchange.org to determine next steps which will be based on the severity of the irregularities and their impacts on the veracity of the relevant (assured) claims in the market.

C4.3 If no non-conformities are found in existing claims approvals, the succeeding certification body shall inform the client of the following instructions when using the *assured claims* previously approved by the preceding certification body:

C4.3.1 Any hangtags or other physically attached claims may be used until the stock is depleted.

C4.3.2 Previously approved claims may be used alongside newly approved claims if there is still stock remaining using the previously approved claim (e.g. in the case of mixed season sales). And

C4.3.3 A new claim approval application form with updated relevant claim information (e.g. certification number) shall be submitted by the client for review and re-approval by the certification body if any of the following occur:

- a. A new audit is conducted;
- b. Stock carrying the previously approved claim is depleted; and/or
- c. The artwork related to the claim is changed or updated.

Section D - Additional Suspension and Withdrawal Requirements

D1.1 Upon written notification of suspension or withdrawal of a certification body's accreditation, the certification body shall take the following steps even if the certification body has plans to appeal the suspension or withdrawal decision:

- D1.1.1** Communicate the following information with certified organizations within 14 calendar days of receiving communication of suspension or withdrawal from the accreditation body or Textile Exchange:
- a. The conditions and timelines of suspension/withdrawal according to official communication by the accreditation body;
 - b. Information on the nature of certification service changes and limitations as a result of suspension or withdrawal (e.g. existing scope certificates cannot be updated or renewed);
 - c. Summary of the organization's pending debts with the certification body;
 - d. Information about the organization's scope certificate and transaction certificate validity dates where these are affected due to the certification body's suspension or withdrawal (see *ASR-103 Policy for Scope Certificates* and *ASR-104 Policy for Transaction Certificates*);
 - e. In the case of certification body suspension, the timeline for certification service disruptions and the anticipated reinstatement of certification services;
 - f. Information about scope certificate transfer options to another certification body so that the organization may reduce the risk of certification service disruption; and
 - g. The name of the succeeding certification body contact that will support transaction certificate issuance services for each scope certificate.

D1.1.2 Share a summary of the withdrawal or suspension information shared with the organizations per D1.1.1 with Textile Exchange at assurance@textileexchange.org within 14 calendar days of receiving the accreditation body's communication of suspension or withdrawal.

D1.2 Within 14 calendar days of **written confirmation of withdrawal from Textile Exchange** of a certification body's licensing contract, and prior to licensing fully being withdrawn, the certification body shall send Textile Exchange:

D1.2.1 A complete list of active scope certificates that have been transferred to a succeeding certification body, including the below information for each certificate:

- a. Scope certificate number;
- b. Corresponding succeeding certification body name; and
- c. Information on any corresponding grievance or complaint related to the certificate.

D1.3 If a certification body is undergoing suspension or withdrawal proceedings (i.e. **suspension or withdrawal is under appeal**), the following minimum requirements shall apply for continuing to provide certification services:

D1.3.1 No new scope certificates may be issued until the suspension or withdrawal is lifted based on written notification from the accreditation body to the certification body.

NOTE: A scope certificate is considered issued by the certification body on the date the certification decision is made.

D1.3.2 Certification services shall be provided according to the specific suspension or withdrawal certification service conditions and timelines communicated by the accreditation body (which may include the inability to issue transaction certificates). And

D1.3.3 Textile Exchange shall not make exceptions or changes to accreditation body suspension or withdrawal conditions.

D1.4 A certification body that is undergoing suspension or withdrawal proceedings with an accreditation body shall not change accreditation bodies during the course of suspension or withdrawal proceedings.

- D1.5** For voluntary transfers by an organization to another certification body (transfers not related to the certification body's voluntary or involuntary withdrawal), see ACP D4.12 Transfer of Scope Certificates.

Section E - Reapplication for Certification Body Licensing

- E1.1** A certification body that has been involuntarily withdrawn may re-apply for licensing with Textile Exchange no less than 24 months after the official notification of withdrawal by Textile Exchange.
- E1.2** A certification body may reapply for licensing to become an authorized certification body by following the application requirements for certification bodies in [ASR-101 Accreditation and Certification Procedures](#).