

Suspension and withdrawal of approval



Introduction

This Client Information Note outlines what happens when there is a failure to maintain your management system, or when you request your approval to be suspended or withdrawn. The Lloyd's Register (LR) Agreement and associated schedules define the conditions for maintaining your management system approval. Failure to meet these conditions may result in suspension and / or withdrawal of your certificate of approval and termination of the LR Agreement.

Suspension of approval

Suspension of your approval may be:

- at your request
- due to a failure to maintain your approved management system, or
- due to LR being denied the opportunity to verify the continued implementation and conformity of the approved management system.
- due to failure to comply with the contractual requirements in place, including terms & conditions related to payment.

Implications of suspension

When your approval is suspended you:

- may no longer claim to be approved by LR
- may no longer accept orders in which your approval is a condition of contract
- may no longer promote your LR approval

- must notify any customer with whom you have contracts for which approval is a contractual requirement, that your approval has been suspended.

Failure to maintain your approved Management System

If we raise a Major nonconformity at a routine surveillance or certificate renewal visit, you will be required to implement all corrective actions necessary to bring your system back into conformity with the assessment standard to maintain your approval.

Our assessor will discuss, and agree with you, arrangements and timescales for us to verify the corrective action that you have taken. The method of follow up and timescales will depend on the nature and severity of the nonconformity.

In most cases, we will verify your corrective action by conducting a follow-up or special surveillance visit within three months of the Major nonconformity being raised. In some circumstances, it may be appropriate for the assessor to conduct a review of your corrective action remotely without needing to visit your premises. In extreme circumstances, such as the unlikely event that your entire management system has broken down (as evidenced by the raising of multiple Major nonconformities), LR may elect to suspend your approval with immediate effect.

If the special surveillance visit (or other review) confirms that effective corrective action has been taken so that the Major nonconformity can be downgraded or closed, LR will

confirm this to you in writing and your approval will be resumed in line with the existing surveillance programme.

If the special surveillance visit finds that you have failed to take the corrective action required, you will be advised that your approval has been suspended.

Requests to suspend approval

If at any time you require your approval to be suspended, you must submit your request to LR in writing giving reasons for the request. If, after review and authorisation by LR, your request for suspension is granted, suspension will remain in force until you request your approval to be reinstated and LR have conducted a satisfactory special surveillance visit, or until the expiry of your certificate - when approval automatically ceases.

Failure to agree to a scheduled visit

If we have been unable to agree to a scheduled visit taking place within a reasonable timescale such that LR has been denied the opportunity to verify the continued implementation and conformity of your approved management system, your approval will be suspended.

Special circumstances

If you are unable to demonstrate continuing implementation of your approved management system due to unusual circumstances (for example, a temporary lack of business) a decision may be made to temporarily suspend your approval.

Notification of suspension

In all cases, we will notify you in writing that your approval has been suspended. This notification will include:

- the timescale by which you must respond. (Note: for cases of failure to maintain the approved management system, you will be required to respond within 14 days of the date of notification)
- where appropriate, the duration of the suspension period. (Note: suspension normally remains in force until the satisfactory completion of a special surveillance visit, or the certificate expiry date)
- the implications of suspension.

Response to suspension

If your approval has been suspended because of your failure to maintain the approved management system, there are three possible responses you may make:

- you may claim to have taken appropriate corrective action and request us to verify its effectiveness and then reinstate your approval (for example, a second special surveillance visit)
- if you do not agree with LR's justification for suspending your approval, you may invoke the LR appeals procedure, or
- you may decide to make no response or take no further action. If so, LR will initiate the withdrawal of approval process.

If a second special surveillance visit is requested, this will only be undertaken if the timescale for the visit is acceptable to LR (that is, normally within one month of the first special surveillance visit).

Withdrawal of approval

Request to terminate approval

You may request your approval contract to be terminated and approval to be withdrawn at any time in line with the 'Termination' terms defined by your LR Agreement

Termination by Lloyd's Register

LR will terminate your contract and withdraw your certificate of approval if any of the following circumstances occur:

- if you fail to respond to a suspension letter resulting from a failure to maintain your approved management system
- if you decide to opt for withdrawal of approval as an alternative to implementing corrective action
- if we find corrective action not to be acceptable after a second special surveillance visit, or
- other reasons (for example, financial).

Notification of withdrawal

In all cases you will be notified in writing by LR that your approval has been (or will be) withdrawn, stating the date from which the withdrawal is (or becomes) effective. You will be required to:

- destroy all copies of relevant LR certificates of approval
- make no further claims to be approved by LR
- withdraw from circulation any documents bearing the LR logo
- review current tenders and contracts to find out if your approval is a condition of contract and to notify any customers imposing such requirements that your approval has been withdrawn.

We will notify the withdrawal of your approval to any interested parties by whatever means is considered by LR to be most effective. This will normally include notification to any approved company directory that was notified of your original approval (for example, the UK QA Register, Certified company databases, etc).



Get in touch

Please visit www.lrq.com.hk for more information

Care is taken to ensure that all information provided is accurate and up to date. However, Lloyd's Register accepts no responsibility for inaccuracies in, or changes to, information.

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