



Independent Consumer and Competition Commission

VOLUNTARY PRODUCT RECALL GUIDE FOR INDUSTRIES

TABLE OF CONTENTS

1. INTRODUCTION	2
2. WHAT IS A PRODUCT?	2
2.1 Products	
3. WHAT IS A PRODUCT RECALL?	2
3.1 Product Recall	
3.2 Types and Level of Recall	
4. WHAT IS THE CRITERIA FOR PRODUCT RECALL?	3
4.1 Product Recall Criteria	
4.2 Product Recall Objectives	
4.3 Notification of a Recall	
4.4 Recall Coordinator	
5. HOW TO IDENTIFY THE DEFECTIVE PRODUCT?	4
5.1 Risk Assessment	
5.2 Product Identification	
5.3 Product Source	
5.4 Problem Identification	
5.5 Risk Assessment Review	
6. HOW TO RECALL THE PRODUCT?	5
6.1 Product Recall Process	
6.2 Level of Recall	
6.3 Recall Strategy	
6.4 Product Recovery, Storage and Disposal	
6.5 Remedial Actions by Supplier	
6.6 Monitoring the Effectiveness of a Product Recall	
6.7 Post Recall Reporting	
7. HOW TO NOTIFY THE CONSUMERS?	7
7.1 Public Notification	
7.2 Media Release	
7.3 Publicity Material	
8. WHERE TO GET FURTHER ASSISTANCE ON PRODUCT RECALL?.....	7
8.1 How ICCC Can Assist With The Product Recall	
8.2 Liaison with Relevant Agencies	

VOLUNTARY PRODUCT RECALL GUIDE

1. INTRODUCTION

This guide describes the guidelines pursuant to the requirements of the Independent Consumer and Competition Commission Act for conducting a Product Recall under *Section 111. Compulsory Product Recall* and *Section 119. Voluntary Product Recall*. The industries as good corporate citizens are encouraged to have their Product Recall procedures in place as a good business practice.

The after effects of the damages and cost involved in the Compulsory Recall of products are enormous to the Industries and the Agencies responsible for Consumer Protection. It is with this in mind that the industries are encouraged to develop and adopt a Voluntary Product Recall procedure which is outlined in this document.

Conformance by Industries to a prescribed product standard is a mandatory requirement under relevant health and standards legislations. Under the provisions of the ICCC Act the Commission must ensure that the import and distribution of products by a supplier is not of a kind that will or may cause injury or death to any person.

2. WHAT IS A PRODUCT?

2.1 Products

Goods manufactured and supplied by industries for the use or consumption by consumers which includes food products.

3. WHAT IS A PRODUCT RECALL?

Pursuant to ICCC Act, a product is subject to a Product Recall if the product is of a kind;

- (1) in respect of which there is a prescribed consumer product standard and the goods do not comply with that standard; or
- (2) which will or may cause injury or death to person; or
- (3) in relation to which there is in force a notice in the National Gazette declaring the goods to be hazardous and unsafe; or
- (4) where it appears to the Commission that the supplier has not taken satisfactory preventative actions.

3.1 Product Recall

A Product Recall is defined as the action taken to prevent the distribution, sales and use or consumption of the product which may pose a safety hazard to the consumers.

Such action may be taken if there is reasonable probability that the use or consumption of the product would cause health consequences, injury or death. The Recall applies a;

- Total ban or permanent removal of hazardous and unsafe products from the market or from use; and
- Temporary ban or temporary removal of hazardous and unsafe products from the market followed by rectification of problem and return to the market.

3.2 Types and Level of Recall

Types of Recall

There are two types of recall as required under the ICCC Act;

- Compulsory Product Recall
This provision is invoked when the industries do not take the responsibility of recalling the product voluntarily.

Where it appears to the Commission that a Supplier has not taken voluntary action to prevent the product from being distributed or the product is hazardous or unsafe with reference to prescribed standards and may cause death or injury, the Commission will then require the supplier to conduct a “Compulsory Product Recall”.

- **Voluntary Product Recall**

This provision requires the industries to voluntarily recall the products in consultation with ICCC.

It is in the best interest of the suppliers to make sure that hazardous and unsafe products are effectively removed or prevented from the market place through “Voluntary Product Recall”. Voluntary recalls are encouraged by the Commission where suppliers recall a product as soon as a defect is found that makes the product hazardous or unsafe for use or consumption.

Level of Recalls

In relation to the types of recall there are three levels of recall; Wholesale (Distributor), Retail (Dealer) and Individual Consumer.

- **Wholesale (Distributor) Product Recall**

It involves recovery of products from the wholesale, distribution centres and importers.

- **Retail (Dealer) Product Recall**

This involves recovery of the product from supermarkets, stores, hospitals, restaurants and major retail outlets.

- **Individual Consumer Recall**

This level of recall is the most serious and extensive type and involves recovery of the product from individual consumers.

4. WHAT IS THE CRITERIA FOR PRODUCT RECALL?

4.1 Product Recall Criteria

Product Recall shall be initiated for unsafe or potentially unsafe products that are hazardous to the consumers.

4.2 Product Recall Objectives

A product recall needs to achieve five main objectives, (the first three takes priority);

- (1) Stop the distribution and sale of the hazardous and unsafe products and in doing so minimize the risk of injury or death to the consumer;
- (2) Inform the public and the appropriate authorities of the problem;
- (3) Effectively and efficiently remove the potentially unsafe products from the market place;
- (4) Minimize the cost and inconvenience to consumers and the industries; and
- (5) Minimize the need for involving the relevant government departments and agencies by voluntary complying with the law.

4.3 Notification of a Recall

The Supplier shall notify the Commission within two (2) days after it has initiated a Voluntary Product Recall as a result of information that becomes available on the hazard and dangers of the product in the market.

A recall may be initiated as a result of reports referred to the Supplier or the Commission from various sources;

(1) External Sources

It may occur as a result of reports appearing in overseas bulletins, health authorities or any such authority. It may also come from distributors, wholesalers or medical laboratories or medical experts; and

(2) Local Sources

It may also be initiated as a result of reports from local communication sources such as consumer complaints, EMTV, local newspapers, health authority, private hospitals, laboratory results, distributors/retailers or suppliers.

4.4 Recall Coordinator

Each supplier should have persons identified to be responsible for product recalls. The supplier should also have a brief product recall procedure lodged with the ICCC which should clearly identify the persons responsible for the recall coordination and their positions, the type of product being dealt with and its manufacturer, brand and pack sizes for future reference.

5. HOW TO IDENTIFY THE DEFECTIVE PRODUCT?

5.1 Risk Assessment

The Supplier should have procedures in place to clearly identify and define the hazard (as being chemical, biological, physical, or a combination of the hazards). Assess the risk as a sole Supplier or in collaboration with the relevant authorities and how to respond and deal with the problem.

5.2 Product Identification

The recall decision process involves gathering information as specified in this document, filling "Product Recall Notification Form" and faxing it through to the Commission and notifying relevant line agencies for compulsory recalls. The Supplier should also inform the Commission, of the level of sensitivity of the information being provided. Suppliers are also required to notify the Commission of any voluntary recall. The information gathering and risk processes should include the following information;

The Supplier should provide the following detail about the defect product;

- (1) Product name;
- (2) brand name;
- (3) pack size;
- (4) type of package;
- (5) batch or serial number;
- (6) used by date or packed by date;
- (7) supplier and contact detail;
- (8) quantity of batch produced
- (9) date produced;
- (10) amount released; and
- (11) distribution: local and overseas

Note: Where items referred to is not a food product, omit the information that is not required.

5.3 Product Source

- (1) 100% imported product
- (2) imported product: manufactured locally with 100% imported component or imported product;
- (3) semi-local product: produced locally but has a mixture of both imported and local component; and
- (4) local product: 100% locally produced and may be fresh produce or manufactured.

5.4 Problem Identification

The problem must be clearly defined and should include all related problem details. This should include;

- (1) Name and contact detail of person reporting the problem;
- (2) Date when problem was reported;
- (3) Nature of problem;
- (4) Number of similar reports received;
- (5) Results of test on problem sample; and
- (6) Other investigations of suspect sample

5.5 Risk Assessment Review

Provisions of other relevant information will be useful and should include;

- (1) Suspect samples or other samples of the same batch;
- (2) Types of hazard being identified and how it occurred;
- (3) Risk Assessment Report;
- (4) Action proposed by the supplier; and
- (5) Proposed recall level and recall procedures.

Based on the above information, decide whether a product defect really exists and renders it unsafe for use or consumption. If it does exist, then the next step is to inform the authorities and develop strategies on how to conduct a recall.

6. HOW TO RECALL THE PRODUCT?

6.1 Product Recall Process

When it becomes apparent that a product is likely to cause injury or adverse health effect to a person, the Supplier should identify and take the necessary steps required to recall the product, control the risk and coordinate the recall process.

6.2 Level of Recall

A product can be recalled at three levels; wholesale, retail, individual consumer, or combinations of any two or three levels. After assessing the product distribution in market place, the Supplier should determine the level of product recalls. Determination of the level of recall is dependent of how far the product has penetrated the market from the supplier.

6.3 Recall Strategy

The supplier should develop recall strategies for various levels of recall as specified. In developing the recall strategies for different levels of recall, the Supplier should consider the following;

- (1) Notification mechanism to stop distribution and sale of product;
- (2) How to effectively and efficiently remove potentially unsafe product from market place;
- (3) Isolation and safe storage of recovered product;
- (4) Disposal of product or return of product to market; and
- (5) Availability of resources for remedial action.

6.4 Product Recovery, Storage and Disposal

Depending on the market target at which the product is aimed, the Supplier should have the procedures in place to recover products at various recall levels. Product recovery procedure should include the method of recovery, storage of products, disposal of products, and the remedial actions by Supplier to consumers, distributors and retailers.

- (1) Methods of product recovery (at the individual consumer, wholesale, retail levels).

Products may be recovered by being returned to the suppliers, supermarkets, wholesalers or retailers, by the consumers. The products may also be returned to a central site as specified by the Supplier.

(2) **Methods of Product Storage**

The recovered products must be stored in an area that is isolated and separate from any other products.

(3) **Methods of Corrective Actions or Product Disposal**

The supplier should have procedures in place for corrective actions or product disposal.

- Food product: In major towns and cities, food products can be destroyed by burial, denatured through retort, and incinerated under supervision by the relevant or appointed officers.
- Product for (general) consumer use maybe returned to the manufacturers or destroyed through the appropriate industrial practices.

6.5 Remedial Actions by Supplier

The Supplier's notifications to its distribution chain and clients should include advice on how to settle for the returned products at the wholesale, retail and consumer level.

Settlement techniques that can be considered include;

- (1) Issuing of credit notes to wholesalers and/or retailers;
- (2) Forwarding of replacement products; and
- (3) Direct refund from customers and/or distribution chain.

The notification should be clear and concise to ensure no distribution chain and client business operations are affected severely.

6.6 Monitoring the Effectiveness of a Product Recall

In monitoring the effectiveness of a recall, the measurement standard is the total number of products recovered against the total number of products being issued. In an ideal situation, 100% product recovered would be excellent. However, in reality, this is not practical and suppliers must have a scale of measurement for measuring the effectiveness of the recall.

An example would be;

Recover Percentage	Rating
---------------------------	---------------

96 – 100	Excellent
----------	-----------

80 – 95	Satisfactory
---------	--------------

65 – 79	Acceptable
---------	------------

Less than 65	Not satisfactory
--------------	------------------

Each Supplier should be aiming for excellence in its recall rating if the product is confirmed to be able to cause adverse health effects serious injury or death provided the product has not or most have not reached the consumer level. For a recall action to be effective, the recall notification should reach as far as the product as been distributed followed by an immediate and positive response by the concerned parties, i.e. wholesale, retail, and consumers should be accorded.

6.7 Post Recall Reporting

One month after the termination of recall process, the Supplier is required to furnish the recall coordination unit with a final report on the recall. The report should contain the following information with details;

- (1) Copy of the letter to customers;
- (2) Circumstance leading to the recall

- (3) Actions taken by the supplier including, copies of media statement;
- (4) Result of the recall; stock returned, corrected, outstanding, etc;
- (5) Method of disposal;
- (6) Proposed action to avoid future recurrence;
- (7) Difficulties experienced in conducting the recall; and
- (8) Forms of assistance from government agencies and industries.

This information will be used by the Commission to modify the recall procedures where necessary. The same information can be provided to the health Authority and relevant line agencies. It will also form the basis to assess the effectiveness of the recall.

7. HOW TO NOTIFY THE CONSUMERS?

7.1 Public Notification

The notification needed to stop a product distribution will be through the appropriate sources of media coverage system. The media coverage may cover radio broadcast, television, newspapers, TV news and current affairs programs.

7.2 Media Release

A media release should be short, concise, clear and written in simple language. It should contain the product detail, problem or hazard, actions to take, remedial action, names, address, phone numbers and email address of people who can be contacted for further information.

7.3 Publicity Material

The publicity material should include the following information;

- (1) Product name, brand name, pack size, type of package, batch or serial number, used by date or packed by date, quantity of batch produced, date produced, date and amount released;
- (2) Clear identification of supplier, including logo, trademark, or letterhead, street, postal address, email and website, facsimile and telephone number;
- (3) A statement of hazard and associated risks;
- (4) What actions consumers should take to avoid injury;
- (5) Who consumers should contact to receive a refund or have the product replaced in exchange for returning the defective product;
- (6) Contact telephone numbers during and after hours or hotline number; and
- (7) Advice that the recall is at the expense of the supplier.

Note: Where items referred to is not a food product, omit the information that is not required.

8. WHERE TO GET FURTHER ASSISTANCE ON PRODUCT RECALL?

8.1 How ICCC Can Assist With The Product Recall

The Commission can assist the supplier by providing guidance on recall procedures and strategies, advising on the type of publicity suitable for the recall, development of publicity materials, assist in liaising with the relevant government line agencies.

For further information contact ICCC Office of the Consumer Protection Division on telephone 325 2144 or fax 325 3980, Toll Free 180 3333, email: info@iccc.gov.pg

8.2 Liaison with Relevant Agencies

Apart from the Independent Consumer and Competition Commission (ICCC) the supplier is required to liaise with the relevant government agencies on matters related to the product recall;

- (1) National and Provincial health departments for manufactured product recall and control;
- (2) City/Town and Provincial Health Authorities on product problems and implications;
- (3) Government Analysis Laboratories for product analysis and evaluation; and
- (4) Police, Fire and National Disaster and Emergency departments where appropriate.