ARGENTNA

Resource Guide for Industry

Argentina: Pre-Loading Inspections Of Vessels Exporting Grain Products And Byproducts

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MACN

Maritime Anti-Corruption Network

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Overview

PRE-LOADING INSPECTIONS OF VESSELS EXPORTING GRAIN PRODUCTS AND BYPRODUCTS FROM ARGENTINA

After three years of public-private collective action efforts, involving Argentina's phytosanitary control authority (SENASA), the Argentine Chamber of Shipping Agents (Centro de Navegación), Inspection Companies (CADECRA), the Oil Industry (CIARA), Private Commercial Ports Chamber (CPPC), the Grain Exporters Center (CEC), the International Group of P&I Clubs (IGP&I), and the MACN, a modernizing, integrity-driven regulatory reform was adopted in 2017 by the Senasa for the process of inspecting holds/tanks for loading grain, as well as its products and byproducts.

The new regulatory framework, approved by SENASA Resolution 693-E/2017 on October 19, 2017, modernized the inspections system in line with international standards, balancing the government's responsibility to ensure the cleanliness of vessels exporting agricultural products with the necessary conditions for integrity in the context of foreign trade relations.

This regulation went live on November 1, 2017 for a testing period of one year, and was confirmed as a regular process in July 12, 2019 through SENASA Resolution 813/2019.

On November 17, 2020, approved Resolution N° 861/2020, which regulates the supervision process by which must supervise the inspections carried out by private surveyors, and also regulates the procedure for selecting the vessels to be supervised. Resolution 861/2020 has been adopted for a testing period of 1 year.

THE SYSTEM: KEY POINTS

Inspections are private-led, under Senasa's supervision:

- The inspection of vessels' holds (and tanks, when it is required)[1] is carried out by the private surveyors appointed by the commercial parties, which must be registered before Senasa.
- Private inspections are supervised by Senasa to ensure compliance on a risk-based approach. Supervisors are empowered to overturn the surveyors' decisions as well as to promote the application of sanctions, including disbarment.
    - Supervisions must be carried out at dock, prior to loading
    - A minimum of 10% and a maximum of 20% in a period of seven days of the vessels that have been inspected and approved by a private surveyor and are tied at dock in a same port, must be supervised

[1] Oils, flours, pellets, expellers, and soybean meals are excluded from Senasa's controls, except when required by country of destination, or by the user (Resol. N° 37/2017).

- Senasa officials in charge of the supervision must be different from those in charge of inspecting the quality of the load, and expressly appointed to such task by the enforcement authority
- Findings must be duly documented in video recordings or photographs, and expressed in a minute or certificate, which must be uploaded to the e-governance system applicable to the inspection process
- The detection of inconsistencies or regulatory breaches must not impede loading, except when findings are serious enough to affect the innocuousness and sanity of the product. To such end, the surface affected by the finding must be assessed against the total volume of the load or, when an insect or rodent is found, whether it is dead or alive and its proportion against the total volume of the load.
- If controversy arises as to whether the findings may affect the innocuousness and sanity of the product, and the risk is minimum because there have been no holds rejection precedents at the port of destination for such findings, supervisors must proceed and continue with the loading process.
- If the finding is qualified as serious, the supervisor must order the vessel's representative to solve it as a condition prior to loading. Loading will be authorized once the problem is solved.
- All supervisions and its supporting documents must be uploaded to the e-governance system.
- Control companies' performance will be examined within 3 months after a supervision found serious findings that impeded loading. A suspension of 15 days will apply after two such cases, and a suspension of 30 days will apply after three such cases. The suspension lifting will depend on a reevaluation of the control company's capacities in charge of Senasa.
- The selection of vessels to be supervised will be based on a risk assessment. Only vessels categorized as High Risk, according to the adopted risk matrix will be supervised –up to a maximum of 20% of the vessels tying at dock in a same port in a period of seven days. Risk factors are: (i) vessel's age; (ii) latest loadings; (iii) control company precedents; and (iv)

- Senasa supervisors can also be requested:
  - in advance on a preventative basis
  - to settle a dispute among the private surveyors carrying out the inspection, or
  - to conduct an inspection if there is an official requirement thereof from the cargo's country of destination.

How to Request Supervision or an Inspection from Senasa

Supervisions of private inspections by , or inspections by when it is required by the country of destination of the cargo, can be requested by the maritime agent through the e-governance system of the Tax Administration Authority (AFIP) at: https://auth.afip.gob.ar/contribuyente_/login.xhtml.

The agent can also make the request by contacting directly:

- National Operations Direction (Senasa Central): Mr. Juan Pablo Gimenez.
  Telephone: +541136801751 / Email: jpgimenez@senasa.gob.ar
- Ports Coordination (Senasa Rosario, Santa Fe): Mr. Víctor Di Pasqueale, .
  Telephone: +5493426303916 / Email: vdipasqu@senasa.gob.ar

Reasons for Holds/Tanks Rejection

The following reasons, when they are of a magnitude that may compromise the condition and quality of the merchandise in total or in part, are grounds for rejection of holds/tanks:

- **Live insects or arachnids.**
- **Rust shell which is detachable by touch**, which must be determined by exerting mild pressure with the gloved palm of the hand over the potentially detachable rust shell, being forbidden the use of any other element or instrument. Rust shells can be eliminated during the inspection, after which the hold should be considered apt.
- **Humidity over a significant surface**, defined as such humidity that produces water threads on the walls or puddles on flat surfaces. Regulation specifies that, instead of rejecting the hold, surveyors should ask the ship's personnel to dry the humidity when it is due to condensation or cleaning water and its surface is small, or only forms thin layers over the hold's walls. In case of remediable filtrations, a time also must be given to repair them instead of rejecting the hold.
- **Failures producing filtering**, which can be verified by the presence of a water thread with a puddle. Holds may not be approved until the failure is repaired.
- **Commercially objectionable odors**, defined as those that contaminate or deteriorate the cargo. The regulation exemplifies with those corresponding to loads of fishmeal, guano, chemical products, sulfur, or bilges for insufficient hygiene, and establishes that before rejecting the hold/tank, a reasonable ventilation time shall be allowed, then the hold/tank must be closed for one hour before re-checking the persistence of the smell.
- **Fresh paint over a significant surface**, which must be detected through manual contact over the corresponding surface.
- **Contaminating residues from previous cargo** that may be found in the hold or the deck, capable of affecting the cargo's quality or phytosanitary conditions, such as iron mineral, coal, sulfur, fertilizers, sugar, alumina, fishmeal, undergrowth seeds and residual grains.
- **Rodents or excrements.**
- **Defective closing of lids.**
- **Deficient or inexistent separation between cargo.**
- **Filtering of hydraulic fluids.**

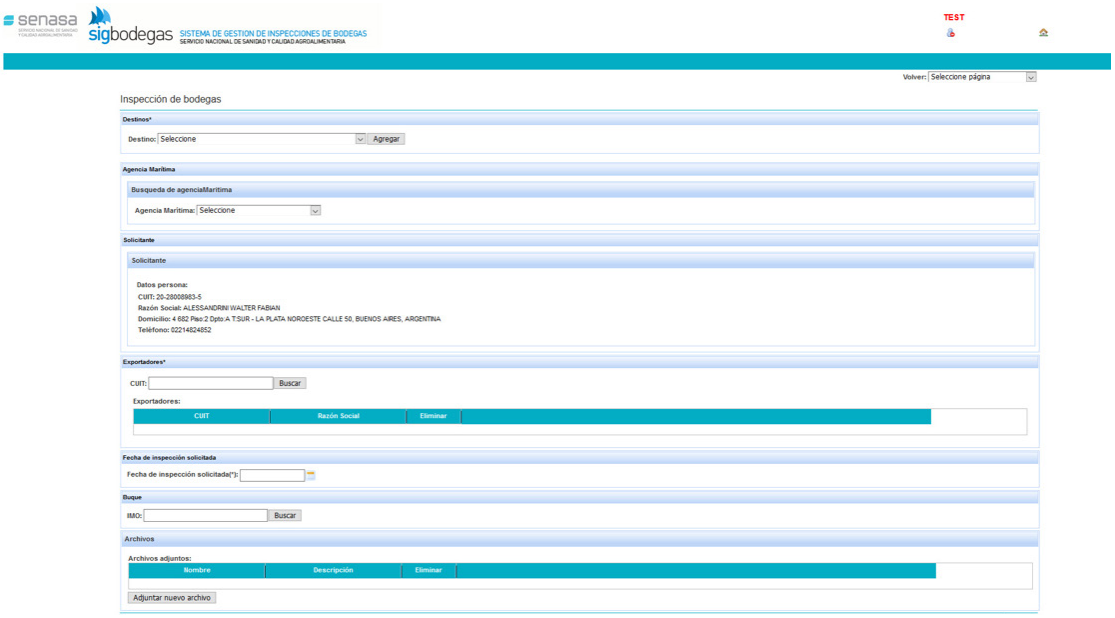
Detail on Process

INSPECTIONS ARE PROCESSED THROUGH AN E-GOVERNANCE SYSTEM

- All inspection requests are processed and registered through an online system, which is accessed through the Tax Authority's website –password protected- at https://auth.afip.gob.ar/contribuyente_/loginClave.xhtml
- Senasa's Guidance to adhere and access the system is available at: https://www.argentina.gob.ar/sites/default/files/procedimiento_para_adherirse_al_servicio_sig_bodegas_0.pdf

FROM THE INSPECTION REQUEST TO THE CERTIFICATE OF HOLD'S APPROVAL

1. At least 24 hours in advance of the inspection, the maritime agent logs into the e-governance system at https://auth.afip.gob.ar/contribuyente_/login.xhtml and appoints a private surveyor registered before Senasa to conduct the inspection.
2. Together with such appointment, the agent should detail: i) the estimated date and time of the inspection, ii) the port and dock in which it will be conducted, iii) the age of the vessel, iv) prior loads and ports, and v) the IMO Number.



3. The private surveyor conducts the inspection accordingly and uploads the certificate (of either approval or rejection) and the evidence supporting his decision (e.g. pictures, audiovisuals) to Senasa's e-gov system.
4. Once the surveyor issues the certificate of aptitude for loading cargo, cargo can be loaded.
5. Senasa keeps electronic records of all inspections and certificates issued under the system.

NOTE: Whenever the electronic system is not working, the inspection process is conducted manually.

ONLY REGISTERED PRIVATE SURVEYORS CAN BE APPOINTED, AND CAN BE DISBARRED FOR NON-COMPLIANCE

- A registry of private surveyors and private control firms is kept by Senasa.
- Technical audits can be conducted to assess compliance with operating conditions. Only surveyors in compliance will be authorized to operate.
- Among other conditions, firms and surveyors are required to comply with specific trainings.
- Private control firms and individual surveyors can be sanctioned and disbarred for non-compliance.

How-To Guidance

HOW TO RESIST IMPROPER CONDUCT, SOLICITATION, OR EXTORTION DURING AN INSPECTION

When an improper payment is requested by a private surveyor, a Senasa inspector or supervisor, or an agent, the immediate intervention of both Senasa and the Surveyor's Compliance Department should be requested by using the following contact details:

- Senasa National Operations Direction (Central): Mr. Juan Pablo Gimenez.
  Telephone: +541136801751 / Email: jpgimenez@senasa.gob.ar
- Ports Coordination (Senasa Rosario, Santa Fe): Mr. Víctor Di Pasqueale.
  Telephone: +5493426303916 / Email: vdipasqu@senasa.gob.ar
- Complaints should be made to the Inspection Companies Compliance Hotlines.

HOW TO REPORT ANONYMOUSLY IMPROPER CONDUCT, SOLICITATION AND EXTORTION

Improper requests or proposals, duress or any improper conduct can be reported anonymously to:

- Senasa's Complaint Management Office:
  - Online: https://www.argentina.gob.ar/senasa/sistema-de-denuncias
  - Telephone: 0800-999-2386 (24 hours a day, every day)
  - During the emergency caused by the Covid-19 pandemic: (011) 15 3602 – 0724.
- National Anticorruption Office:
  - Online: http://denuncias.anticorrupcion.gob.ar/tipo_denuncia.php?id=1
  - Telephone: 08004444462 / +541153004100
- Public Ministry's Office of Administrative Investigations:
  - Online:https://denunciasfia.mpf.gob.ar/denuncias/nueva
- MACN
  - You should also file an Incident Report to MACN by completing the survey here: https://www.surveygizmo.com/s3/4932610/MACN-Secure-Incident-Reporting-Individual-Incidents