

# DRAFT ASCDI Standards to Prevent the Resale of Counterfeit IT Products

**We are looking for input from our members  
in the suggest process.**

**The ASCDI would like to develop a certification program containing standards for resellers of IT Products that have taken specific measures to strengthen and protect their supply chains to prevent the resale of counterfeit IT Products.**

# Components of Standards

- ✓ Signed Agreement by Participating Companies
- ✓ Supply Chain Management
- ✓ Inspections
- ✓ Reps and Warranties to customer of authenticity
- ✓ Shipping controls
- ✓ Dispute resolution

# Draft

**This Certification Program defines the standards** by which IT resellers can safely acquire authentic IT Products including systems and peripherals, features and upgrades, parts, subassemblies and supplies for resale into public and private sectors of commerce.

**These standards pertain to whole units, features and upgrades and the parts contained therein.** This Certification Program is not meant to address stand-alone components such as transistors, resistors and diodes.

# Products

- 4000 Product Lines Sold
- \$312 Billion Dollar Market
- \$187 Billion traded by 40,000 independent computer brokers, wholesalers and value added resellers worldwide

# Certification Application Agreement

The terms and conditions shall be set forth in a Certification Application. **Each Participating Company shall sign the Application** which shall also contain the ASCDI Code of Ethics which the Participating Company agrees to be bound and abide by.

# Supply Chain Requirements

Participating Companies purchase Products from OEM's, end/users, resellers, etc. This is the beginning of the supply chain.

Participating Companies will require the Suppliers to **sign an Authentic Product Agreement (APA)**

# Supply Chain-Authentic Product Agreement

Suppliers must present documents such as licenses and tax ID/VAT numbers as **evidence of legitimate licensed businesses.**

Suppliers must indicate if they are authorized or non-authorized to sell New Products by the OEM.

In the event the authenticity of a Product is questioned by the Participating Company, **the Supplier agrees to an independent verification of authenticity** by an Authorized Independent Inspector selected by the ASCDI.

Should Product sold be determined to be counterfeit, **Supplier will not receive said equipment back and will forfeit payment.**

# Supply Chain-Product Inspections

Upon receipt of a Product, the Participating Company shall **visually inspect and test the Products and prepare a checklist** identifying the condition of the Product as called for in the guidelines set forth in this standard. The checklist shall be maintained with the Product and inserted in the outbound shipping packaging material to the Customer.

Inspections include but are not limited to holograms, labels (placement, format), workmanship, quality, physical attributes, comparisons to photographic images, known criteria and other Product data.

**Reports of inspections and test results will be maintained** in written or electronic form for review by interested parties which include, but may not be limited to, the Customer, the reseller and the ASCDI or NATD in the event of controversy arising at a later date.

# Shipping

After inspections, **tamper proof sealing tape affixed** to will be provided to Participating Companies by ASCDI to “seal products” after inspection.

The original Product Inspection and Testing checklist shall be packed with the Product and delivered to the customer with the Products.

# Representations and Warranties to Customers- Minimum Terms and Conditions of Sale

Reseller represents and warrants that upon the sale of a Product to a Customer, Reseller will be the lawful owner thereof.

**All Products sold are warranted to be genuine.**

All Products are free of defects in material and workmanship, reasonable wear and tear.

Reseller's liability hereunder shall be limited, at its option, to repair or replacement of the Product or refund of purchase price.

# Dispute Resolution

Upon arrival, should a Product be suspected to be counterfeit, the Customer should immediately **notify the Participating Company and the ASCDI.**

If proven to be counterfeit, **the Participating Company shall replace the counterfeit Product under its warranty**

In the event a controversy exists as to whether the Product is counterfeit, either party may **file an ASCDI Ethics Complaint to resolve the dispute.**

In the event an ASCDI Ethics Complaint is filed, the Customer and the Participating Company are required to cooperate in the process for handling such Complaints under Association guidelines.

The Participating Company will be required to supply all information pertaining to the source and handling of Product.

# Dispute Resolution

At the request of the ASCDI Ethics Chair, the Product in controversy will be **submitted to an Authorized Independent Inspector** selected by the Ethics Chair and agreed to by the parties for authentication. Cost, if any will be born by the Participating Company. Should the Product in question prove to be authentic, the cost shall be borne by the Customer.

**Authorized Independent Inspectors must agree to share specific details of said inspections** with the ASCDI for posting and dissemination to Participating Companies.

In the event the Participating Company is found to have delivered a counterfeit Product and/or fails to honor its warranty and/or is found to have exercised negligence in the inspection of the Product, it will be required to: **(i) honor its warranty; (ii) be subject to expulsion from the ASCDI; and (iii) be subject to loss of its status as a Participating Company.**

**Results of said investigation will be made public.**

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