



World Halal Trust

**PROCEDURE ON DEFINING THE
COST OF CERTIFICATION**

SCOPE

This document was prepared by World Halal Trust (hereafter WHT or Certification Body) Top Management and defines the procedure on defining the costs of Halal Certification.

The calculation of product certification cost is based on the following principles:

1. All certification activities actually carried out are covered from the own funds of enterprises/organizations that applied for the relevant work, regardless of the decisions made based on the application results;
2. The labour intensity standards for the Halal Certification of the relevant products are established based on the need for a set of works stated by the product certification standards to assess its compliance with the requirements of the standards in order to ensure safety;
3. The level of profitability from the certification activities should not exceed 35%;
4. The profit from the certification activities, remaining at the disposal of the Certification Body, shall be used for the improvement and development of the regulatory and technical base, as well as for the specialists' trainings;
5. The average daily rate of specialists employed to carry out Halal certification activities, including the monitoring of the conformity of certified products to the requirements of relevant certification standards, must not be less than the minimum monthly wage established by the legislation of the Republic of Lithuania.

FORMULA DEFINING THE HALAL CERTIFICATION COST

The calculation of the work cost (W) performed during the certification of a specific product is carried out according to the following formula:

$$W = [(R*DR+D+T)*P*SA+L+A+I*N]*V,$$

the:

R — the certification complexity for specific products is determined by the table depending on the corresponding certification scheme (person/day);

DR — specialist's average daily rate (Eur);

D — the cost of document review activities is taken at the rate of 0.4 R for 1 hour no more than 8 hours for a specific type of product (Eur);

T — the cost of translation from a foreign language and confirming the authenticity of a document is taken no more than 8 R for 1 printed sheet (Eur);

P — number of certified unique products;

L — cost of certification tests (according to the fees of testing laboratories) (Eur)

A — travel expenses and daily allowances for the on-site inspections (Eur);

V — coefficient taking into account the norm for value added tax established by applicable

law;

I — the cost of one production inspection carried out as part of monitoring of the conformity of certified products to the requirements of the relevant certification standard (Eur)

N — number of inspections during the validity of the Halal Certificate.

SA — the coefficient taking into account salary accruals, overhead costs and the level of profitability is calculated by the formula:

$$SA = (1+(SR+O)/100)*(1+PL/100)$$

SR — salary accrual rate established by applicable law (%);

O — overhead ratio (%);

PL — profitability level (%).

Depending on the certification scheme and the specific situation, elements of the actual composition of the work are included in the formula for calculating the cost of certification activities.

Limit standards of labor intensity, person/day		
	Labor ratio (R)	Person/day
1.	Decision on Halal Certification application:	
1.1.	Reception, entrance control and registration of an application	0,5
1.2.	Review of the documentation attached to the application	3,0
1.3.	Preliminary familiarization with the condition of certified products' production	2,0
1.4.	Choosing a certification scheme and program	0,5
1.5.	Definition of co-executing organizations	1,5
1.6.	Preparation of a decision on an application	1,0
2.	Certification Procedures	
2.1.	Sampling and identification of samples for certification tests	1,0
2.2.	Test report analysis	2,0
2.3.	Production site assessment	3,0
2.4.	Analysis of production certification activity results	3,0
2.5.	Assessment of product compliance with established requirements and preparation of a decision on the possibility of Halal Certificate granting	2,0
3.	Preparation, registration and issuance of Halal Certificate, annexes to the Certificate	2,0
4.	Monitoring of certified products	
4.1.	Selection of a program and preparation of a contract for monitoring	1,5
4.2.	Production verification, including analysis of certified products' data	3,0
4.3.	Analysis of corrective measures (if necessary) and the timeframes of their implementation	1,5
4.4.	Monitoring of corrective measures' implementation	2,0