Health Canada
Health Products and Food Branch

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TO: ASSOCIATIONS

I am pleased to inform you that a revised version of the document "*Conditions for Acceptance of Foreign Inspection Reports"* is now available on the Health Products and Food Branch Inspectorate Website at:

www.hc-sc.gc.ca/hpfb-dgpsa/inspectorate

This document replaces the previous version published in October 2001. Please note that the title has been changed to "Conditions for Acceptance of Foreign Inspection Reports for Listing Foreign Sites on Canadian Establishment Licences".

This document incorporates the new wording defined in Schedule 1247 published in Canada Gazette II in October and describes the attribution of the expiry date related to the inspection reports submitted.

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Health Canada
Health Products and Food Branch

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POLICY DOCUMENT

Conditions for Acceptance of Foreign Inspection Reports for Listing Foreign Sites on Canadian Establishment Licences

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Ce document est aussi disponible en français.

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1. PURPOSE

Based on the requirement that any foreign site must be listed on the EL of a Canadian importer, the purpose of this document is to provide guidance respecting the type of information that the Inspectorate will accept in order to assess the compliance of foreign sites with the Canadian GMP regulations.

2. DEFINITIONS / ACRONYMS

Certificate of Compliance (CoC):	A certificate issued by a Regulatory Authority (as defined in this section) attesting the GMP compliance of a site in that country. In Canada, the CoC is issued by the Inspectorate.
EC:	The European Community: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Portugal, Spain, Sweden, United Kingdom.
EFTA:	The European Free Trade Association: Iceland, Liechtenstein, Norway.
EL:	Establishment Licence.
FDR:	Food and Drugs Regulations.
GMP:	Good Manufacturing Practices.
HC:	Health Canada.
HPFB:	Health Products and Food Branch.
Inspectorate:	Means the Health Products and Food Branch Inspectorate.
MRA:	Mutual Recognition Agreement: an international agreement that provides for the mutual recognition of compliance certification for Good Manufacturing Practices.
MRA Country:	A country that is a participant to a mutual recognition agreement with Canada. As of March 1st, 2003, the operational MRAs are those with Switzerland, the EC and the EFTA countries.
On-Site Evaluation:	Product specific evaluation of the manufacturing process of a drug conducted on site to assess the conformity with the drug submission.
PIC/S:	Pharmaceutical Inspection Cooperation Scheme.
Qualified Authority:	An authority member of the PIC/S or the United States Food and Drug Administration (USFDA).
Recognized Building:	In respect to the fabrication, packaging / labelling or testing of a drug, a building that a Regulatory Authority that is designated under subsection C.01A.019(1) of the *FDR* in respect of that activity has recognized as meeting its GMP standards in respect of that activity for that drug.

Regulatory Authority: As defined in Section C.01A.001(1) of the *FDR*, a government agency or other entity in a MRA country that has a legal right to control the use or sale of drugs within that country and that may take enforcement action to ensure that drugs marketed within its jurisdiction comply with legal requirements.

3. BACKGROUND

Numerous changes related to the GMP have occurred since 1996. These include:

- The implementation of Division 1A - EL Regulations in 1996.

Note: Prior to the EL framework, the only establishments that were required to have a licence were those producing drugs listed in Schedule C and D of the Food and Drugs Act and those selling Controlled drugs or drugs under the Narcotics Control Act. The GMP Regulations (Division 2 of the *FDR*) did not apply to Schedule C and D drugs at that time.

- In Canada, fabricators, packagers/labellers, testers, distributors, importers and wholesalers of drugs are subject to the GMP Regulations. Most of them must obtain an EL. Activities related to some products are presently exempted from EL requirements as described in Section C.01A.002 of the *FDR*.

- The acceptance of Canada as a member of the PIC/S in 1999 which has resulted in an enhanced knowledge of the GMP compliance programme of foreign authorities. PIC/S members are subject to a formal evaluation process to ensure that their GMP compliance programme meets the PIC/S standard.

- The signing by Canada of MRAs with the EC, Switzerland and the EFTA which are presently in their operational phase.

One important outcome of these changes is the improved knowledge of the information on the GMP compliance programmes of foreign regulatory authorities with whom we have established partnerships. Differences in the quality systems used by our international partners have been identified including the criteria for the acceptance of inspection reports from various sources for EL purposes.

To list a foreign site on its EL, a Canadian importer must provide satisfactory evidence that this foreign site meets the Canadian GMP requirements, as required by Section C.02.012(2) of the *FDR*.

Before January 2002, the following systems were accepted as a proof that this requirement was met:

- The Canadian fabricator, packager/labeller, distributor or importer made an on-site inspection of the contractor.

- The Canadian fabricator, packager/labeller, distributor or importer obtained copies of inspection reports of the health authority responsible for the inspection of the contractor.

- The Canadian fabricator, packager/labeller, distributor or importer obtained inspection reports from corporate self-inspection teams.

However, our international partners do not accept, as a practice, inspection or audit reports prepared by corporations or consultants. In addition, the Inspectorate cannot impose conflict of interest rules on persons performing these audits. Therefore, the acceptance criteria for the inspection report of foreign sites have been re-evaluated.

4. SCOPE

This policy covers the following types of evidence:

- GMP inspection report issued by the Inspectorate.

- CC issued by a Regulatory Authority (MRA) as defined in Section 2 of this document for a Recognized Building located within its jurisdiction. This CC is requested to the Regulatory Authority by the Inspectorate for any Recognized Building to be listed on the EL of a Canadian importer.

- GMP inspection report from a Regulatory Authority (MRA), as defined in Section 2 of this document for a site located outside its jurisdiction.

- GMP inspection report from a Qualified Authority for a site located within or outside its jurisdiction.

- Consultant or corporate GMP inspection report under certain conditions.

Note: In all cases the report must cover all the activities and dosage forms indicated in the EL application.

5. POLICY STATEMENT

5.1 The following information is accepted as evidence of GMP compliance of a foreign site and in support of its listing on an EL:

5.1.1 A compliant inspection report from the Inspectorate that is no more than 3 years old.

5.1.2 A CoC issued by a Regulatory Authority (MRA) for a Recognized Building located in its jurisdiction for which the date of inspection indicated is no more than 3 years old .

5.2 The following information is receivable as evidence of GMP compliance for a foreign site, to be assessed by the Inspectorate, in support of the issuance of an EL.

5.2.1. The most recent inspection report (including the corrective actions taken) that is no more than 3 years old, issued by a Regulatory Authority (MRA) for a site located outside its jurisdiction, as long as the inspection has been conducted based on its GMP standard or the Canadian GMP Guidelines.

5.2.2 The most recent inspection report (including the corrective actions taken) that is no more than 3 years old, issued by a Qualified Authority for a site located in or outside its jurisdiction with its respective standard (PIC/S or UScGMP) or the Canadian GMP Guidelines or other guidelines recognized as equivalent such as the EC.

Note: An On-Site Evaluation (OSE) alone is not considered acceptable to demonstrate the GMP compliance of a site as it does not cover all applicable sections of the GMP. Where a full GMP inspection has been conducted during the OSE and a description of the systems inspected is available, it might be considered by the Inspectorate.

5.3 If none of the above information is available, the requester wishing to list a foreign site on its EL must contact the Inspectorate to discuss the possible options to demonstrate GMP compliance of the foreign site. The following options may be considered:

5.3.1. An inspection conducted by the Inspectorate

5.3.2 An inspection report issued by an Authority that is not listed as a Qualified Authority. The standard used must be identified. The decision on the acceptance of the inspection report will depend on the risk factor associated with the products involved and the information provided on the Quality Systems and GMP compliance programme of the Authority. The Inspectorate may ask for complementary information.

5.3.3 A corporate or a consultant audit report for OTC Nonprescription Drugs where no recent (less than 3 years old) inspection report from a Regulatory Authority (MRA), a Qualified Authority or the Inspectorate is available.

Note : A corporate or consultant inspection report **will not be accepted** for the following drugs:

- new drugs as defined in Section C.08.001 of the *FDR*
- sterile drugs
- drugs listed in Schedule Cor D to the *Food and Drugs Act*
- drugs listed in Schedule F to the *FDR*
- controlled drugs as defined in subsection G.01.001(1) of the *FDR* and listed in the *Controlled Drugs and Other Substances Act.*
- narcotics as defined in the Narcotic Control Regulations and listed in the *Controlled Drugs and Other Substances Act.*

5.4 To be accepted for review by the Inspectorate, a consultant or corporate audit report must clearly indicate which products are to be imported from a foreign site and why a consultant or corporate audit report is submitted. In addition, the report must meet the following conditions:

5.4.1 The qualifications and experience of the individual(s) performing the inspection must be stated. As a minimum, the individual(s) must have sufficient knowledge and experience of the GMP and must be qualified according to section C.02.006 of the *FDR*.

5.4.2 The inspection is conducted against the Canadian GMP Guidelines and all applicable sections are assessed.

5.4.3 A judgement is made on any deficiencies based on Guide-0023 (Risk Classification of GMP Observations). This document is available on the Inspectorate Website at www.hc-sc.gc.ca/hpfb-dgpsa/inspectorate.

Any Risk 1 or Risk 2 deficiencies that would lead to a non-compliant rating according to this guide would render the site unacceptable. The site would also be removed immediately from the EL of the importer. No further importation from this site would be authorized until a new inspection report confirming the correction of the deviations and the GMP compliance of the site is submitted to the Inspectorate.

5.4.4 A report is submitted by the foreign site describing the corrective measures taken to address the deficiencies noted in the report.

5.4.5 The adequacy of these corrective measures are assessed by the consultant or the corporate team.

5.4.6 The report is signed and dated.

5.4.7 If an outdated (more than 3 years old) inspection report from a Regulatory Authority, a Qualified Authority or any other Authority not listed as qualified is available, the said report should accompany the consultant or corporate report.

5.5 Period of validity

5.5.1 Inspection reports for sites located in non-MRA countries.

To match the end of the period of validity of the information submitted with the date of issuance of the EL (which is January 1st of each year), the expiry date is set as December 31st and will be assigned as follow:

- for reports dated October 31st or before in a given year, the expiry date will be set as 3 years plus the remaining period of the year from the date of inspection, and;

- for reports dated November 1st or after in a given year, the expiry date will be set as 4 years plus the remaining period of the year from the date of inspection.

For example, if a report is dated August 31st, 2003, the expiry date will be set as December 2006 and if a report is dated November 1st, 2003, the expiry date will be set as December 2007. Therefore, the information will be considered valid for a period not exceeding 50 months from the date of the inspection but not less than 38 months.

5.5.2 Certificate of Compliance for MRA sites.

The period of validity or expiry date of these CoC is assigned by the Regulatory Authority (MRA). To match the end of the period of validity with the issuance of the EL, the expiry date of the CoC will always be December 31st using the criteria described in 5.5.1. The Inspectorate will be responsible to request a new CoC in a timely manner in order to not unduly delay the issuance of the EL.

5.5.3 Reduced expiry date.

For inspection reports of sites located in non-MRA countries, if the information submitted during the year for listing or relisting a foreign site is deemed incomplete to demonstrate full compliance with the GMP and new information is requested, a reduced expiry date will be assigned. This expiry date will be December 31st of the current year.

Similarly, when information is made available that a foreign site is no longer in compliance with the GMP, the previous expiry date assigned to this foreign site will no longer be valid until new information is provided that all corrective actions have been taken and that the site is compliant. An expiry date of December 31st of the current year will also be assigned in these situations. However, additional actions could be implemented depending on the risks associated with the products.

6. OWNERSHIP

Any of the above documentation submitted to HC is:

- owned by the Crown, as duly represented by the Inspectorate and under its control.
- subject to the dispositions of any applicable Act including the Access to Information Act.

7. EFFECTIVE DATE

This document will become effective August 27, 2003.