



October 2011

**CODE OF CONDUCT FOR SETTING UP A MONITORING SYSTEM
IN BUSINESS FOR PRECURSOR CHEMICALS AND EQUIPMENT THAT
CAN BE DIVERTED TO ILLICIT MANUFACTURE OF DRUGS**

1. OBJECTIVES

The object of this Code of Conduct is to help fighting against illegal drug manufacture by identifying suspicious transactions and reporting them to the National Task Force for the Control of Precursor Chemicals (Mission nationale de contrôle des précurseurs chimiques - MNCPC). It comes under the partnership approach developed jointly by the MNCPC and the following trade associations (addresses in Appendix 4):

- UIC (Union des Industries Chimiques – Chemical Industries Federation)
- UFCC (Union Française du Commerce Chimique – French Association of Chemical Distributors)
- PRODAROM (Syndicat National des Fabricants de Produits Aromatiques – National Union of Fragrance and Flavour Manufacturers)
- LEEM (Les Entreprises du Médicament – Association of Pharmaceutical Companies)

and which any other trade association can join.

It aims to assist companies that are members of these associations and involved in the manufacture, use or supply of the substances and equipment listed in Appendices 1 and 2 to this Code of Conduct to :

- make their staff aware of the precursors issue ;
- encourage vigilance at the production, storage, sale and transport stages ;
- facilitate assessment of companies' measures during MNCPC inspections at the relevant sites ;
- increase co-operation and information exchange between companies and the authorities ;
- undertake monitoring of chemicals and equipment that are likely to be diverted for illegal drug production ;
- make practical use of warnings provided by the MNCPC ;
- make it easier to obtain the licences specified in the regulations relating to Category 1 substances.



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2. SCOPE

The Code of Conduct applies to:

- all precursor chemicals listed in the Drug Precursors Act (in the process of publication) ; these substances are divided into 3 categories classified as "1", "2" and "3" in the last column of the table in Appendix 1 ;
- non-scheduled substances proved to have been used as "substitute" products in the illicit manufacture of drugs; these substances, which are specified in Article 2 (b) of Regulation (EC) No. 273/2004 of the European Parliament and of the Council of 11 February 2004 and in Article 2 (b) of Council Regulation (EC) No. 111/2005 of 22 December 2005 and are subject to special monitoring, are classified "S" in the last column of the table in Appendix 1 ;
- substances liable to be identified and notified by the MNCPC ;
- equipment that can be diverted for illegal manufacture of drugs, especially the equipment listed in Appendix 2.

3. IN-HOUSE PROCEDURES

3a. Appointing "responsible officers"

The establishment/company concerned will appoint a "responsible officer" and a deputy (if appropriate) and inform the MNCPC.

The establishment/company concerned must clearly define the duties, role and powers of the "responsible officer" and any deputy; it shall forward their description to the MNCPC at the same time as the membership charter for this Code of Conduct.

The "responsible officer" will be a manager in charge, for example, of sales, logistics, quality-assurance, health and safety or legal/administrative matters.

Any change in the civil status or any replacement of the "responsible officer" or his deputy must be reported to the MNCPC within ten working days as required by the decree implementing the Drug Precursors Act (in the process of publication).

Any change of address of the company or establishment must be reported to the MNCPC within ten working days as required by the decree implementing the Drug Precursors Act (in the process of publication)..

The "responsible officer" will play a key role in the monitoring system : as part of his obligation to exercise due care, he will be responsible for all matters relating to the control of precursors and equipment covered by this Code of Conduct.

He will guarantee close co-operation between the company/establishment and the MNCPC.

The "responsible officer" will ensure that:

- regular awareness-building takes place among the staff concerned ;
- in-house vigilance and monitoring procedures have been set up and are actually being followed by staff ;
- any suspicious or manifestly unusual order relating to the products and equipment listed in Appendices 1 and 2 is immediately notified to the MNCPC.

3b. Training and awareness-building

The "responsible officer" will raise staff awareness regarding the substances and equipment listed in Appendices 1 and 2.

The staff affected are managers and individuals in sales, operating and logistics departments who supervise staff whose jobs entail warehousing, handling, selling, transporting and using these same substances and equipment. Awareness-building must be accompanied by introduction of appropriate in-house vigilance and monitoring procedures.

The "responsible officer" must inform these staff of the civil and criminal penalties that they will incur if they provide assistance to drug traffickers, including through negligence or an oversight.

By way of awareness-building among staff, "responsible officers" are invited to arrange briefing sessions with the MNCPC on the subject of monitoring the base products and equipment set out in Appendices 1 and 2.

3c. Transaction monitoring

In addition to the regulatory obligations specific to each category of substances in Appendix 1, the "responsible officer" must ensure :

- during manufacture, that any unusual incidents are identified (disposal, disappearance, etc.) ;
- prior to delivery, and guided by the recommendations set out in Appendix 5 :
 - that the accuracy of information supplied by the customer has been checked :
 - customer's name (business name) and address ;
 - substance's place of delivery ;
 - intended use of substance ;
 - that the customer's reliability has been checked, including :
 - propriety of its business relations ;
 - conformity of its behaviour with business practice ;
 - absence of factors apt to arouse suspicion ;
- subsequent to delivery :
 - that the delivery has duly taken place ;
 - that any incident during transport of the substance has been identified ;
 - that any disposal, disappearance, etc. has been identified.

These checks will also apply, in so far as they are feasible, to the equipment cited in Appendix 2.

They must be carried out particularly in the case of sales of small quantities (also known as "counter sales"), requests for or supply of samples, and disposal of these substances.

In the event of a discovery concerning any product or equipment not covered by this Code of Conduct but which could be or might have been used for illicit manufacture of drugs, the "responsible officer" will make available all the relevant information to the MNCPC.

Monitoring is based on identifying factors apt to arouse suspicion and notifying them immediately to the MNCPC. A list for guidance, drawn up using the experience of companies and authorities at both national and international levels, is attached to the Code of Conduct in Appendix 3.

3d. Notifying suspicions

When, as discreetly as possible and using his professional experience, the "responsible officer" has identified any of the suspicious circumstances referred to in Appendix 3, he will immediately contact the MNCPC.

These suspicious circumstances may arise from attempts to order or request information on either substances or equipment.

The "responsible officer" will use his best efforts to obtain information such as his interlocutor's fax and telephone numbers, e-mail address, etc. He will be careful not to alert the suspicious person by his behaviour or by excessive questions. To this end he may refer to the examples shown in Appendix 7 concerning the practices of some Internet users.

This information will enable the MNCPC to make any checks and inquiries necessary.

To allow the investigating authorities to work effectively, it is essential for the transaction concerned to be pursued in an apparently natural way.

The "responsible officer" will report to the MNCPC :

- any suspicious order or request for information ;
- deliveries not made on the ground of such suspicion as well as any other suspicious factor or circumstance ;
- any other facts of which he is aware and which may be pertinent to an investigation into a suspicious transaction (unjustified break of bulk, unusual change of route, unusual delivery period, disposal, sampling, disappearance, etc.).

At the MNCPC's request, the "responsible officer" will place the relevant commercial documents at its disposal and provide access to production and storage sites and facilities, establishments, administrative and office equipment, and available samples of goods.

Suspicions are reported by the "responsible officer" to the MNCPC, whose address is given in Appendix 4.

3e. Including the Code of Conduct in internal management systems

Each company signing the membership charter of the Code of Conduct will undertake to implement the measures in this Code of Conduct at its head office ; it will ensure that the procedures described in this Code of Conduct are included in the company's internal rules of management : it may use the examples shown in Appendix 6 to this end.

Each company signing the implementation charter of the Code of Conduct will undertake to set up a procedure for immediately notifying the "responsible officer" of any Internet contact or order from a party not already known to or a customer of the firm; it may use the example in Appendix 8 to this end.
