

# BlockChain Certification Network (BCN)

The Worldwide Conformity Assessment Blockchain Network

# Conformity Assessment

A brief description of today's situation in the world



The certification can be:  
**VOLUNTARY** and **LEGISLATIVE**

**Products  
Certification**

**Management Systems  
Certification**

**Personnel  
Certification**

**Service  
Certification**

**Laboratory Tests  
Certification**

**Calibration Tests  
Certification**

**Accreditation of  
organizations as  
certification bodies**

# Conformity Assessment

A brief description of today's situation in the world

Conformity assessment industry is rooted in 19<sup>th</sup> century and since that time it has never changed radically. The key point that should be understood is the following: some organizations develop standards which ideally should be a collection of methods and best practices. The companies implement and use these standards in their field of work and improve their performance by that. Other organizations check whether the implemented procedures correspond to what is written in those standards. At the same time the state brings in rules for products. There are also security standards and some laboratories and organizations (certification bodies) which compare test results with standards. In such a way calibration and personnel certification works. Mechanisms are the same everywhere. Let's highlight two key points :

## A

Organizations developing standards.

These organizations become universally recognized in virtue of their reputation организации.

The state has the right to create national standards. They describe the norms and requirements of the state for some products in the field of security.

## Б

Organizations, certification bodies that have the right to issue a certificate document (the proof of compliance with the rules).

There are laboratories. They work according to approved test methods and record the gained data in a test record sheet (a test report). The laboratory only gives test results, and the certification body issues the necessary document on the basis of those results.\*

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\*it is similar to the work of medical institutions when the laboratory gives analyzes results, and the doctor analyzes them and gives an opinion

# World Certification Market Volumes

How many certificates are issued in the world?



Not everyone publishes their certification data. Most databases are closed and this is one of the key market problems.



International organization ISO ([iso.org](http://iso.org)) published statistics of 2016: there was issued more than 2 000 000 «accredited» certificates in conformity with management systems. And this is only accredited authority.



During the year of 2016 there was issued 125 134 certificates and 682 265 declarations on products in Russian Federation. These numbers reflect the picture of product conformity assessment. Not certification of quality management systems.



There are hundreds of systems and standards like Halal, EcoCert, Organic Farm and many others.

# World Certification Market Volumes

The size of a market



# Conformity Assessment Is a Permanent Payment

**01** Certificates are **ALWAYS** issued for a limited period (for instance: 1,3,5 years)

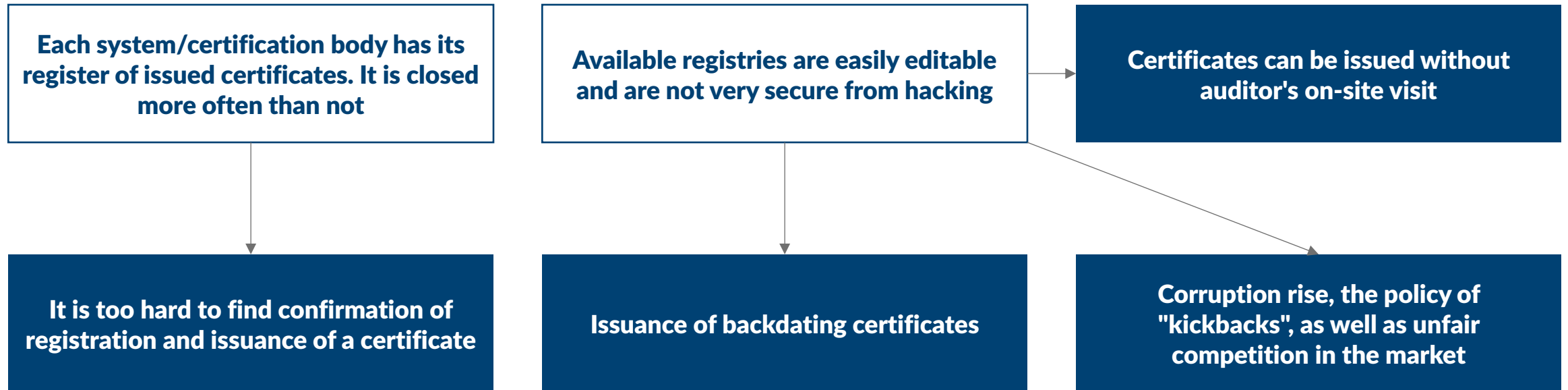
**02** Certification involves **annually paid mandatory inspections** almost in all cases. They are inspection checkouts

**03** Certificates and declarations are issued for a limited product range when getting certified. **New model** makes you **pass certification again**

**04** In the legislation of many countries, new standards are included in the requirements system for producers (in adapted form). As a result, we have new certification again

# Problem №1

There is no public available worldwide database of certified companies and products



# Problem №2

Certificates are often "dummy" - just a printed form



Probability of a fake

- Certification body stores both documents on auditor's on-site visit and auditing results. Without a special check these documents can not be seen. We do not know whether there was an audit, whether there is a real production and whether it really works according to the declared standard
- the certifying authority must regularly undergo inspections to preserve the issuance of certificates (accreditation). Check the relevance of the accreditation body is very difficult
- certificates of authority may be issued on the basis of test reports of the laboratory, not having the right to carry out these tests, or in general - tests may not be conducted!



# Problem N°3

Trust in the certifying body is built on its age and reputation

Why the same standard certification in one body costs, for example, 5000 euros, and in another it's 1000 euros

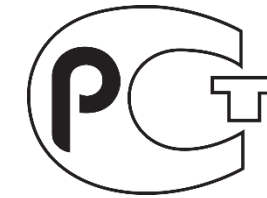


It's all about the age of the organization and its reputation. The prices for the same services may differ by an order of magnitude

One body on the market is 50 years old, another 10 years old, but both declare that they are monitoring their auditors, corruption and do not allow issuing certificates without grounds

# Problem N°4

The consumer sees on the package only a quality badge as an element of design



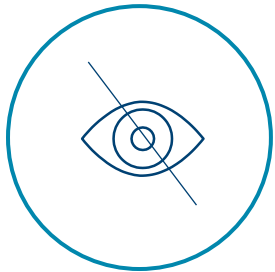
How can you verify the validity of product labeling, if you are not an expert?

The most popular misconception arises between the CE marking (Europe) and the Chinese marking by China Export



# Problem №5

In 4 bodies they didn't pass certification, and in 5<sup>th</sup> one they managed. Did they improved quality or deceive?  
Were they just lucky?



НАПРИМЕР:

- we are manufacturer of medical silicone for implants
- decided to pass the certification of their products in the certification body №1
- as a result of the tests, it was concluded that our silicone is harmful to health and does not meet the safety requirements
- our enterprise № 1 report into its closed register
- we apply to the register №2, then in №3 and so on
- finally we appealed to the №11, and at dinner we managed to get the desired legitimate certificate
- we supply our silicone to hospitals
- we see - full compliance with standards, which means that there is no risk to health, but do not see that the manufacturer received this certificate from 11 attempts, and each time trying in different certificated bodies

# Problem N°6

The slow speed of issuing a certificate - the time to market products slows down



We created know-how



We received funds

certification



**6-12 months**

term of product certification



have access to the market



in your niche is already a tough competition, invest in the promotion of funds does not remain



the project died. You are at a broken trough



there is no quick profit



no money to pay salaries, rent, etc.



somehow the competitors got to the market earlier and occupied a niche

# Is there any special certificate

which helps you choose supplier of really  
qualitative production?

# NO

There is no such a certificate.

# Conclusions

- ↘ **The certification system is extremely outdated**
- ↘ **The system itself, which should cut off black and substandard products, is configured to hide flaws and cover low-quality manufacturers products**
- ↘ **The system is tuned to the needs of certification bodies, not the client (both the customer and the end user)**

# Adverse Problems

In fact, the number of problems within the current certification system is enormous

There is no single list of consulting companies that help implement management systems. A lot of time is spent looking for them and checking their goodwillности

In the framework of any certification, the body does not have the right to act as a consulting company in the creation, development and implementation of management systems in the enterprise, and then certify its work. But is it really so??

There is no single base of auditors (those who come to the enterprise with checks). It's quite often when companies call an auditor from the Czech Republic, Italy, other countries, although there are accredited auditors in their country according to their standard. They simply do not know about their availability

**What is the solution?**

# **BlockChain Certification Network (BCN)**

a decentralized system for storing information about certificates of products, companies, services. In this system, all attempts of the company to conduct certification will be preserved, both successful and unsuccessful. The system records all auditors, and you can easily track how much any auditor gives positive or negative results, track their quality of work and competence. All test results will be in the database, and they can be used in other areas.

**Data in such a system can not be deleted or used.**

**If the product is substandard - it will not hit the market!**



# What is the main obstacle?

# Nobody wants to show their data!

In our experience, we see that most often the customer dictates the conditions: what certificate do and in which bodies (to whom he trusts). Already, serious companies are asking not only a certificate, but documents from an audit - reports.

**THE PAPER IS NOT IMPORTANT,  
IMPORTANT TO SEE PRODUCTION!**

In the future, companies will switch to transparent certification, and the one who resists it will immediately cause suspicion and is unlikely to succeed.

# The dissemination process of BCN

Certcoin is the way to regulate the work of auditors

I

For each industry, packages of materials will be compiled: why is it necessary to introduce transparency in certification in the industry and what is advantageous for them. The chain of acceptance starts from the end customer (from those who purchase products from the manufacturer)

II

In our experience, many IT companies want to see transparency now . Among them there are definitely supporters who want to see their subcontractors with certificates, the receipt of which is absolutely legitimate

III

Companies that work with manufacturers require the contract to have a record in an absolutely transparent and impartial BCN about their certification with reports on inspections

IV

The manufacturer is looking for a certification body, which makes data in BCN and, thus, shows its focus, first of all, on improving the quality of products

V

Bodies are forced to use BCN, as there is a demand for open block-certification. Those who already work in BCN - are trusted and have more customers

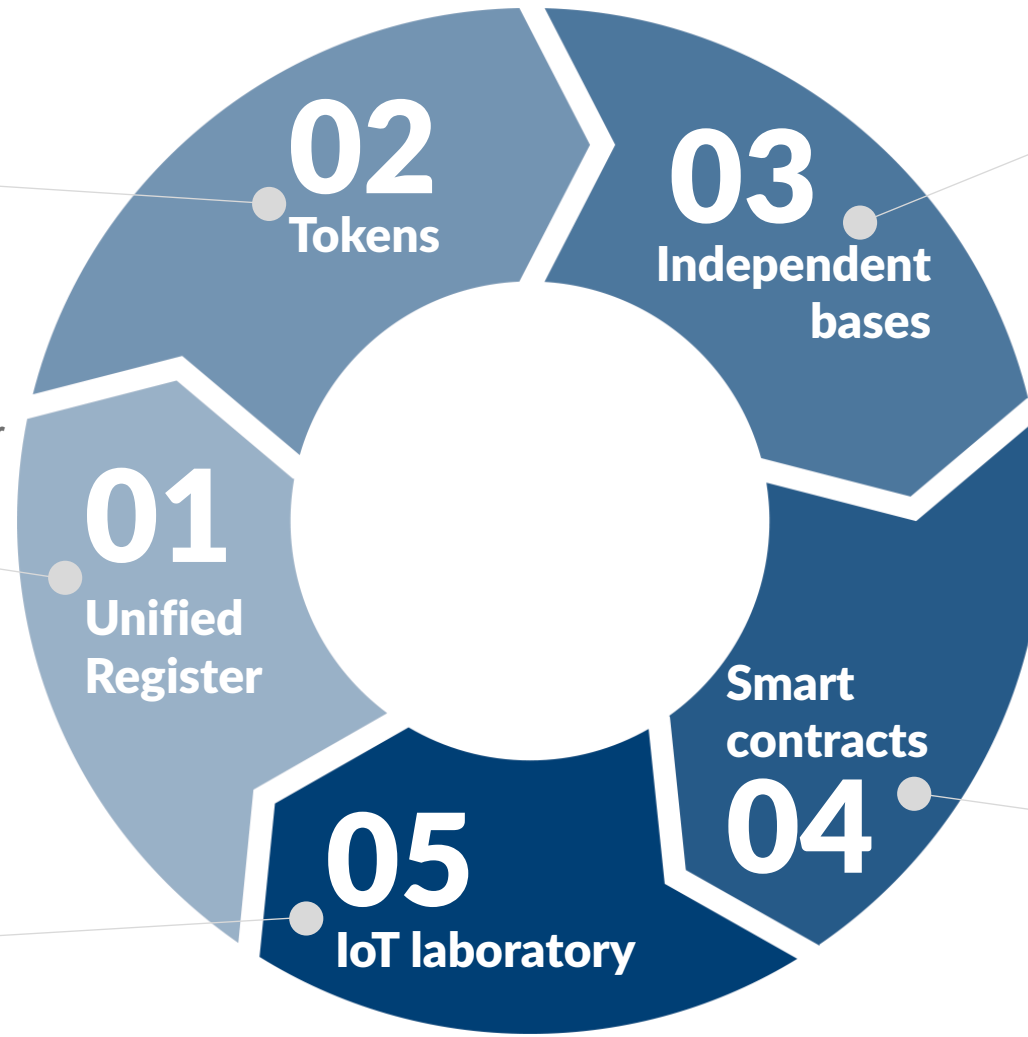
# How BCN works

You can see the whole story with the help of:

- certification body's token
- auditor's token
- product token

An accessible and unified worldwide register of all certificates that can not be fake and change.

Sensors in the test equipment will immediately transmit data to the BCN, and the tests can not be faked and backdated



Independent bases of auditors, certification bodies, consultants. When registering, everyone will receive their own token and keep a history of events on it, and you will be able to track

Smart- contracts and a decentralized certification body - the auditor will fill out reports and, through smart contracts, confirm compliance

# CertCoin

Cryptotoken network

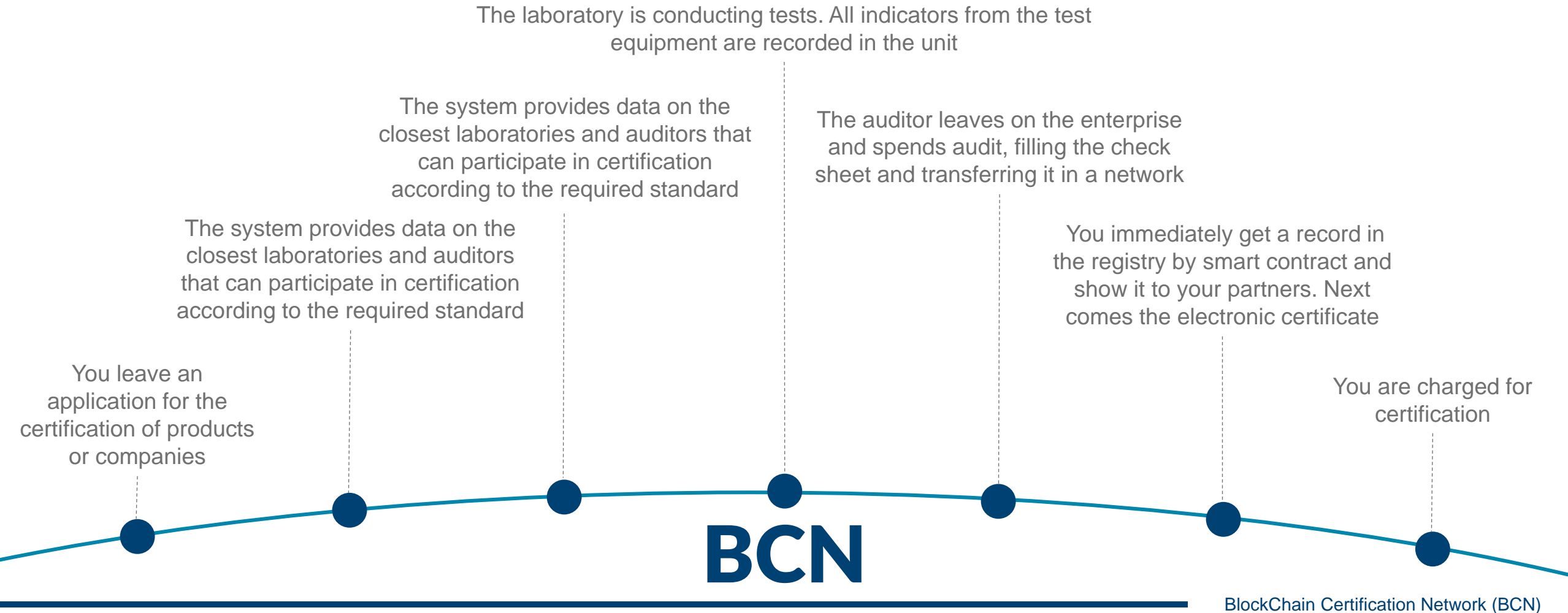
- 01** An auditor requires CertCoin to enter information in BCN
- 02** Bodies and laboratories require CertCoin to enter information in BCN
- 03** CertCoin is attached to the real unit of measurement of work in the certification - auditory

Demand for CertCoin  
can be up to

**100 mlrd. \$  
per year**

# Decentralization in Certification

More Convenient, Faster & Transparent



# The base of auditors and consultants

Expertise of auditors and consultants through Google.Maps



Attaching all kinds of certificates and competencies with the assignment of a number. Establishment of a reputation system (assessment of the auditor's competence by rechecking by other auditors, for example, on inspection control)



Create a history of successful and vice versa projects. Evaluation of the work of a consultant by auditors. The opportunity to freely know where and to whom this consultant helped



Significantly accelerated search and certification processes for industry-specific standards (FSSC 22000, IRIS и etc.)



The possibility of direct communication and consultation with specialists within the system. No intermediaries

# Integration and machine learning



For any manufacturer it is important to know what he needs in different countries for trade

## Monitoring of legislation



Algorithm collects changes in legislation and reports changes

## Classification of products and services



If you know where this or that product supplies, you can immediately get information about the necessary documents for the region

## Analytics and systematization



Knowing where this or that product belongs, you can immediately get information about the necessary documents for the region

BlockChain Certification Network (BCN)

# Project road map

1. Creation of sites, presentations about the project and idea. Different marketing materials: for the Customer, the certification body, regulatory structures, the block-community, investors.
2. Creating social channels for communication : forums, soc. network, project diary.
3. Creation of the prototype of the register, the base of auditors and consultants.
4. Pre-ico.
5. Creation of a working block-registry, a database of auditors and consultants.
6. Distribution to all certification bodies, regulatory structures.
7. ICO.
8. Full working start of the project.
9. Creating a social. network of auditors, consultant within BCN.
10. Algorithm for assessing the required documents for export to all countries.
11. Adding calibration procedures, checking equipment (maintenance).
12. Globalization of the network.



# Thank you for your attention!

If you have any questions or comments, suggestions,  
you can contact us by phone +375 (29) 785-23-66