



## **STATEMENT OF INTENTION ADDRESSING COUNTERFEITING AND NON-CONFORMING BUILDING MATERIAL, PRODUCTS AND EQUIPMENT**

### **Background:**

Beginning in January 2013, IHA members have engaged in discussions regarding the rise of counterfeit and non-conforming building materials, products, and equipment [hereinafter “counterfeit and non-conforming building products”] and are concerned with the threat of these building materials entering the supply chain for residential construction and home building.

The main purpose of this intent is to further the goals of the International Housing Association (IHA) by bringing together organizations from around the world that represent the home building industry, and to provide a global forum for discussions on issues relating to counterfeit and non-conforming building products in the residential construction and home building.

In addition, it provides a framework of cooperation and understanding, and to facilitate collaboration between the IHA members to further their shared goals and objectives in regard to raising awareness of the problems with counterfeit and non-conforming building products. This intent establishes a framework to defining these terms using a consensus-based process so that all IHA members are using these terms in a consistent manner.

Counterfeit and non-conforming building products appear to have increased their reach into the residential building industry over the last decade for a variety of reasons. Greater access to a much larger pool of materials supplies in many IHA member countries is now shifting the balance for residential builders and their awareness of what products are “fit for their intended purpose” and what rules and standards such products should meet may not be keeping pace with this greater availability.

A significant part of this shift is the emergence of counterfeit products and falsified claims about a wide range of building materials, products, and equipment. Increases in international trade and better access to goods from other countries have created greater risk that criminal enterprises will use traditional distribution mechanisms to place counterfeit products into the marketplace.

International organizations estimate counterfeiting costs hundreds of billions of dollars each year and impacts state economies on a number of levels – unfair competition, loss of revenue, loss of jobs, and increased risk to public health and safety. In addition, businesses are facing increased risks of finding counterfeit (fake) products in the supply chain.

In tandem with the increase in counterfeit products, member countries have also expressed concern that the systems in place to manage non-conforming products may not be adequate both in the country of origin and in a global supply chain. A non-conforming product may not necessarily be a counterfeit product and there is evidence of increased entry of these products into the supply chain in many countries.

IHA members are concerned that counterfeit and non-conforming building products are creating problems with liability risks to builders, workers and the public if products fail or do not conform to their intended uses.

The IHA defines “Counterfeit Building Products; Non-conforming Building products and Falsified Building Products” as follow:

- Counterfeit building products mean products which are an unauthorized copy of something genuine, which is done with the intention to deceive. Counterfeit building products are those products that are copied from genuine building products and sold to builders, material suppliers, or even consumers, as if the product were genuine, and are products that are produced with the intention to deceive buyers and end users. Counterfeit goods violate an owners’ rights in the intellectual property, either trademark or patent violations.
- Non-conforming building products are products that do not meet regulatory or industry standards for the product’s intended purpose making that product not ‘fit for its intended purpose.’ These products may create problems for health and safety by putting workers in construction and the occupants of residential buildings at risk. Non-conforming products are increasingly having a negative effect on competition for legitimate product manufacturers and suppliers. They

also have an effect on the end users of the products, being residential builders and homeowners.

These products include:

- products that do not meet the design, model or performance standards set out in the particular country where the products are to be used;
  - products that are defectively made; and
  - products that are intentionally counterfeit or falsified.
- Falsified building products mean products which make a public claim about their intended performance against specified building codes and standards in a particular country, that when used or tested, do not meet that performance claim. The failure to meet the performance claim may be intentional or unintentional.

#### **INTENT:**

The IHA Members, designated as “we” in this public statement, have a common interest in addressing Counterfeiting and Non-conforming Building Material, Products and Equipment. In pursuit of this, we intend to do the following:

- We will seek to raise awareness of this issue and examine measures that may be adopted to help provide information for its members to reduce builder liability for such occurrences, protect workers, and ensure customers receive safe products.
- We will make consistent efforts to address this problem by reaching a consensus on definitions that properly describe the problem and concerns of the IHA and share information with other members when they learn of counterfeit and non-conforming building products.
- We will share information with other IHA members when they learn of potentially counterfeit and non-conforming building products.
- We will share information with other IHA members on emerging issues related to home building, products, materials, or equipment that they learn of taking place in their countries.
- We will develop a coordinated response to addressing counterfeit and non-conforming building products used in residential construction and home building counterfeit and non-conforming.

**REVIEW COMMITMENT:**

This statement is not intended to be legally binding on any of the IHA Member Organizations. No cause of action will arise with respect to compliance, or lack thereof, of any signatory party to the guidance and intent expressed in this Statement. This Statement is not intended to create, nor does it create, any right, benefit, or privilege, substantive or procedural, enforceable at law or in equity, against any of the IHA Member Organizations supporting this Statement.

The IHA Members will conduct a biennial review of this Statement of Intention and ratify or revise it, based upon consensus.

**This statement became effective as confirmed by the members on February 5, 2014.**

**This statement was updated and reconfirmed on September 30, 2021.**

**This statement was reconfirmed on March 02, 2024**

IHA Secretariat



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