



British Hallmarking Council

Consultation on hallmarking by UK Assay
Offices at overseas sub-offices

Consultation on hallmarking by UK Assay Offices at overseas sub-offices

The consultation can be found on the British Hallmarking Council section of GOV.UK:
www.gov.uk/government/organisations/british-hallmarking-council

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General information

Purpose of this consultation

This consultation is issued by the British Hallmarking Council (BHC) to understand whether stakeholders would wish articles of precious metals which are hallmarked by United Kingdom Assay Offices in their overseas sub-offices should carry a hallmark which is different from the hallmark applied in the United Kingdom.

Issued: July 2017

Enquiries to: britishhallmarkingcouncil@gmail.com

Territorial extent:

England, Scotland, Wales and Northern Ireland

How to respond

Your response will be most useful if it is framed in direct response to the questions posed, although further comments and evidence are also welcome.

Please add your responses to the questions below and respond by **Friday 22nd September 2017**. E-mail to bhcconsultation17@gmail.com or send by post to:

British Hallmarking Council – Consultation
Shakespeare Martineau
60 Gracechurch St
London EC3V OHR

Please give details:

Your name/ email:

Your organisation:

Nature and details of organisation (numbers of members/ staff represented):

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Confidentiality and data protection

Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the access to information legislation (primarily the Freedom of Information Act 2000, the Data Protection Act 1998 and the Environmental Information Regulations 2004).

If you want information that you provide to be treated as confidential please say so clearly in writing when you send your response to the consultation. It would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded by us as a confidentiality request.

We will summarise all responses and place this summary on the British Hallmarking Council pages of the [GOV.UK website](#). This summary will include a list of names or organisations that responded but not people's personal names, addresses or other contact details.

Quality assurance

This consultation has been carried out in accordance with the [Government's Consultation Principles](#). The British Hallmarking Council has worked closely with its Sponsor, Regulatory Delivery within the Department for Business, Energy & Industrial Strategy.

If you have any complaints about the consultation process (as opposed to comments about the issues which are the subject of the consultation) please address them to:

Email: britishhallmarkingcouncil@gmail.com

Executive Summary

This consultation is issued by the British Hallmarking Council (the BHC) to understand stakeholders' views on the hallmarking of precious metals by the United Kingdom Assay Offices in their overseas sub-offices and to enable the Council to develop guidance on this issue.

Hallmarking is designed to provide assurances to those involved in the selling and purchasing of items made from (or partly made from) silver, gold, platinum or palladium. Hallmarks are marks applied to precious metals to indicate the amount of pure precious metal in the alloy. In the UK there are four Assay Offices that are permitted to carry out this activity. It is one of the oldest forms of consumer protection and the provision of hallmarking services within the UK continues to be well regarded nationally and internationally.

In 2013 the law was changed to enable the UK Assay Offices to establish overseas sub-offices to conduct hallmarking operations outside the UK. The Government asked the BHC to issue guidance on this new development to ensure continued confidence and trust in the UK hallmarking system. The Government's current policy is that marks approved for use by the UK Assay Offices in their overseas sub-offices should be distinguishable from UK struck marks. The intention is that this guidance should set out the factors that the BHC will take into account when approving applications from the UK Assay Offices for the marks to be applied by their overseas sub-offices.

This consultation is aimed at:

- those involved in the jewellery industry, including relevant trade bodies;
- consumers who purchase jewellery and other items containing precious metal
- the UK Assay Offices

Our objectives

We also want to make sure that stakeholders:

- understand the significance of hallmarking items made from precious metals;
- communicate their views as to whether hallmarks applied in UK Assay Offices' overseas sub-offices should be distinguishable from those applied in the UK and whether, in relation to consumers, if having a different hallmark would offer additional protection and hence would have an impact on their purchasing decisions;
- communicate their thoughts on what would make a hallmark struck overseas visually distinct from one struck in the UK;
- feel that their views have informed the development of the BHC's guidance.

About Hallmarking

Hallmarking is one of the oldest forms of consumer protection, which has been in place in the UK for approximately 700 years. Hallmarking is essentially an empirical process in which an item is tested to ascertain its precious-metal content, which is not discernible to the consumer by the naked eye. Most articles described in the course of a business or trade as made wholly or partly of gold, silver, platinum or palladium must carry an approved hallmark.

There are four Assay Offices in the UK that are authorised by the BHC to apply approved hallmarks. They are located in Birmingham, Edinburgh, London and Sheffield.

Approved hallmarks are made up of the following symbols:

- Assay Office mark – a mandatory mark identifying the Assay Office that carried out the hallmarking. This mark provides a guarantee of independent testing;
- Fineness mark – a mandatory mark indicating the precious metal fineness of the article expressed as parts per thousand;
- Sponsor's mark – a mandatory mark indicating the maker or sponsor of the article;
- Fineness symbol – an optional mark denoting the particular precious metal;
- Date letter – an optional mark which indicates the year in which the article was hallmarked.

These hallmarks and their explanations are displayed in a notice that all dealers are required by law to display. The content of the notice is determined by the BHC and is intended to make sure that consumers are aware of the legal requirements when they buy items made wholly or partly of precious metal. A copy of the current dealer's notice, which was approved by the BHC, can be found on any of the UK Assay Office websites:

www.assayofficelondon.co.uk/media/1431/dealers_notice_2015.pdf

theassayoffice.co.uk/legislation/dealers-notices

www.assayoffice.co.uk/our-services/hallmarking-act-1973

www.edinburghassayoffice.co.uk/resources

The Hallmarking Act 1973 permits the Assay Offices to conduct hallmarking in places additional to their main premises (i.e. at sub-offices), subject to the approval of the BHC and to any conditions which it imposes. All four Assay Offices have provided hallmarking services through sub-offices, using their Assay Office mark (i.e the mark applied in the main sub-office).

The integrity of the assay process at all Assay Offices and their sub-offices is audited by the Queen's Assay Master.

The British Hallmarking Council

1. The BHC was established by the Hallmarking Act 1973. It is an executive non-departmental public body, sponsored by Regulatory Delivery, a directorate of the Department for Business, Energy and Industrial Strategy. Including an independent chair, its 19 members represent a broad range of interests covering the trade, consumer interests and the four UK Assay Offices. It also has a secretary, who is not a member.
2. The BHC is responsible for supervising the work of the UK Assay Offices and their established sub-offices (including any sub-offices offshore), approving hallmarks and ensuring there are effective arrangements in place to enforce the provisions of the Hallmarking Act.
3. In February 2013, the Hallmarking Act 1973 was amended through the Legislative Reform (Hallmarking) Order 2013, to allow the four UK Assay Offices to provide hallmarking services in sub-offices set up overseas, subject to the BHC's approval and to any conditions it imposed.
4. Sheffield Assay office opened the first overseas sub-office, which was located in Malpensa, Italy in 2014. In response to representations made by Sheffield Assay Office, the BHC approved the use of the Sheffield Assay Office mark (the rose) in Malpensa on 7 April 2014. The Malpensa sub-office is no longer operating. The Birmingham Assay Office gained approval from the BHC to establish sub-offices in Mumbai and Jaipur India in 2015 and 2016 respectively. The BHC approved the use of the Birmingham Assay Office mark on items marked in Mumbai and Jaipur.
5. The rationale for the legislative change was that the geographical limitation placed UK Assay Offices at a competitive disadvantage in relation to their counterparts in European Economic Area countries, where laws permit hallmarking to be conducted overseas. The processes for assaying and hallmarking of precious metal overseas are the same as those that apply to Assay Offices in the UK. These processes are accredited by the United Kingdom Accreditation Service, to ensure consistency and quality.
6. In introducing the provisions to allow hallmarking to take place overseas, an undertaking was provided by the Minister, Viscount Younger of Leckie, during the debate on the draft Legislative Reform (Hallmarking) Order 2103 on 29 January 2013 that the BHC "*will authorise offshore-struck marks, which will be clearly distinguishable from the existing domestically struck marks. In order to make clear the distinction*

between the two sets of marks, the Council will also issue guidance to [sic] the new offshore marks.” The changes to the Hallmarking Act did not expressly provide for a distinguishable, overseas hallmark and the BHC was given a discretion to determine what marks should be applied in the circumstances.

7. At its meeting on 10 October 2016, the BHC agreed to consult stakeholders on the issues surrounding overseas hallmarking. The results will inform the BHC’s future policy and guidance on the matter.
8. The value placed on hallmarking by consumers will be a significant factor that the BHC will consider when developing guidance on offshore hallmarking.

Consultation Questions

A: The Government has been clear that in enabling UK Assay Offices to conduct hallmarking operations at overseas sub-offices, there will be no diminution of reputation or quality. As the BHC is responsible for approving overseas hallmarks, we are keen to understand what factors our stakeholders believe should be considered by the BHC when approving an overseas marks.

1. Should UK-struck and offshore-struck marks be distinguished?
2. What factors should the BHC take into account when approving hallmarks for use by UK Assay Offices at overseas sub-offices? Factors that may be relevant include:
 - i. How extensive will the overseas operations be in comparison to the operation of the main UK-based Assay Office?
 - ii. If precious-metal items manufactured overseas carry different marks depending on whether the Assay Office applied the mark in the UK or in its overseas sub-office, could it mislead or confuse consumers?
 - iii. Could a different, overseas mark be confused with an existing hallmark?
 - iv. What quality assurance processes will ensure hallmarking that occurs overseas is as robust as hallmarking that occurs in the UK?
 - v. How distinct would a different hallmark need to be?
 - vi. Are there additional factors that you believe should be considered?
3. UK accreditation marks (e.g. CE mark and UKAS) are the same regardless of whether they are applied in the UK or overseas. Should hallmarks be treated in the same way or is there a case for treating them differently?

B: Businesses are currently required by the Hallmarking Act 1973 to display notices in the form approved by the BHC describing approved hallmarks (a “Dealer’s Notice”). In issuing guidance about overseas hallmarking operations, the BHC will inform businesses of the process for approving offshore hallmarks and if a distinguishable mark is used, set out their responsibilities when selling items that have been hallmarked in an overseas sub-office. We are keen to ensure that our guidance does not impose unnecessary burdens on businesses in meeting their responsibilities and therefore we want to understand better the views of business in this regard and to ensure that misleading information is not provided to consumers.

- i. Should additional information be provided by the BHC to provide clarity to businesses supplying items that have been hallmarked at an overseas sub-office if a distinguishable hallmark is required?
- ii. If so, should this be by means of the Dealer’s Notice alone?
- iii. If not, by what other means should this be done e.g. guidance on the BHC’s website?
- iv. Should the BHC provide guidance to businesses about steps they can take to avoid providing misleading information to consumers and therefore reduce the risk of breaching consumer protection and fair trading legislation?

C: The BHC aims to provide information to assist consumers in understanding hallmarking, including hallmarking at overseas sub-offices, when purchasing precious metals in the UK. In order to achieve this, the BHC is keen to understand how this information can best be provided to consumers in particular if a distinguishable hallmark is used overseas.

How can the BHC ensure consumers have access to clear information prior to making a purchase of precious metals? We have considered the following factors and we are keen to understand from our stakeholders whether these are appropriate or whether there are additional factors that we should consider:

- i. Is point-of-sale information (i.e. the Dealer's Notice) sufficient?
- ii. Would it help to provide information on the GOV.UK website?
- iii. Would a short communications programme, raising awareness be effective? For example, coverage in social media, press notices and articles in trade press.
- iv. Should the statutory information that must be displayed in retail premises selling hallmarked items be changed?
- v. What benefit if any would it be to consumers to have an additional mark to denote hallmarking overseas by a UK Assay Office?
- vi. Is there anything else that needs to be done to enable consumers to make informed choices?

Methodology

The main method of communicating this consultation document to stakeholders will be by publication on the BHC's website and distribution [by email/post] to the relevant trade associations, as well as to the Assay Offices.

Some BHC members are drawn from relevant industries/sectors (e.g. retail, manufacture and design) who will facilitate further dissemination of this document.

The responses to this consultation will inform the decisions which the BHC will take in respect of hallmarks to be used off-shore and the guidance it subsequently produces for the trade and consumers. The priority is to maintain the integrity of the hallmarking system.

List of consultees

Organisation	Website
Anti-Counterfeiting Group	www.a-cg.org
Association for Contemporary Jewellery	www.acj.org.uk
Birmingham Assay Office	theassayoffice.co.uk
British Hallmarking Protection Alliance	
British Jewellery and Giftware International	www.batf.uk.com
Chartered Institute of Trading Standards	www.tradingstandards.uk
Citizens Advice	www.citizensadvice.org.uk
Consumers Association	www.which.co.uk
Edinburgh Assay Office	www.edinburghassayoffice.co.uk
Institute of Registered Valuers	www.jewelleryvaluers.org
International Association of Assay Offices	www.uia.org/s/or/en/1100044729
London Assay Office	www.assayofficelondon.co.uk
National Association of Jewellers	www.naj.co.uk
National Pawnbrokers Association	www.thenpa.com
Sheffield Assay Office	www.assayoffice.co.uk



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