



## **British Hallmarking Council (“the Council”)**

### **Applications Committee**

#### **Standing Orders**

The Hallmarking Act 1973 makes provision for the constitution of the British Hallmarking Council at Schedule 4. Schedule 4 paragraph 16 provides that the Council may make standing orders for regulating the proceedings (including quorum) of the Council or any of its committees, from time to time as the Council thinks fit. These Standing Orders for the Applications Committee supplement the requirements of Schedule 4.

#### **1 Purpose of the applications process**

The purpose of the sub-office approval process is to protect the reputation and integrity of the UK hallmarking regime, by ensuring that sub-offices meet the same standards as the main assay offices,

The overall adequacy of hallmarking provision in the UK is not a matter that the Applications Committee can or should take into account in its work. That is a matter for the British Hallmarking Council as a whole.

Commercial clients are free to move between assay offices, their sub-offices and headquarters at any time. The applications process should not therefore be used as a method of regulating commercial interests or policing the market.

#### **2 Duties**

The duties of the Applications Committee are:

2.1 To consider applications by the assay offices to set up sub-offices or engage in on-site hallmarking (eg on customers' premises) and to make recommendations accordingly to the Council. The recommendations cover the technical aspects of the application as presented in the application form. They will not cover aspects of adequacy of hallmarking provision in the UK or a legal assessment of any delivery model. The formal recommendation to the BHC will make this clear;

2.2 Whilst the Council grants or refuses applications with respect to setting up sub-offices in accordance with the Hallmarking Act 1973 s13(2)(e), responsibility for the administration of the approvals scheme has been delegated to the Applications Committee;

- 2.3 To authorise temporary sub-offices and on-site hallmarking (eg on customers' premises) subject to the Council being informed at the first meeting possible;
- 2.4 to recommend to the Council protocols for applications for matters within its remit and criteria for deciding on the acceptability of any such application. The current agreed processes (the "agreed processes") are set out as Appendix 1 to these Standing Orders.
- 2.5 To monitor the conduct of all approved operations in a proportionate way.

### **3 Commercial Confidentiality**

Applications for sub-offices are by their nature commercially sensitive. The Applications Committee will work with a high level of information security around every application. It will not disclose any details of applications to the British Hallmarking Council, other than those necessary to be included in its final report to full Council. In particular, any details which might identify the client prior to final approval will not be disclosed outside the Applications Committee, unless there is clear consent to do so from the applicant.

### **4 Membership**

- 4.1 The Applications Committee shall be made up of no fewer than three and no more than four independent members of the Council appointed by the Council.
- 4.2 The Chair shall be appointed by the Council from among the Committee members.
- 4.3 The Secretary shall be designated by the Committee ("the Secretary").
- 4.4 The Chair of the British Hallmarking Council shall be invited to all committee meetings and have the right to attend.

### **5 Meetings**

- 5.1 The Committee shall meet when necessary for the efficient conduct of its business.
- 5.2 The location and time of meetings shall be decided by the Members and, together with the agenda and supporting papers for each meeting, details will be forwarded by the Secretary to the Members and to any person attending (subject to paragraph 3.6), as soon as reasonably practicable prior to the meeting to ensure proper consideration of the matters to be considered.
- 5.3 The meeting shall be quorate where two of the Members are present.
- 5.4 The Committee may discharge its duties by email, telephone or other reasonable means of distance communication in which all participants may communicate simultaneously with all other participants and the provisions with regard to quoracy and decision-making as set out in these terms of reference shall apply as if a physical meeting were to take place.
- 5.5 Only Members and the Chair of the Council shall have the right to attend meetings. However, any member of the BHC may request that they be permitted to attend a meeting as an observer without voting rights and such request should not be unreasonably refused.
- 5.6 Members may invite guests to attend all or part of a meeting. Such guests may attend with the unanimous agreement of the Members and may contribute to discussions,

but shall have no entitlement to vote. Where guests are attending the meeting in part, they shall be provided with supporting papers relating only to that part of the meeting.

## **6 Voting**

6.1 Any resolution put to a vote at a meeting shall be passed only where the meeting is quorate in accordance with paragraph 5.3 and where a majority of those present at the meeting vote in favour of the resolution. In the event of a tie, the Chair shall have a casting vote.

## **7 Reporting procedures**

7.1 The Secretary shall record a minute of the proceedings including the names of those present and in attendance.

7.2 The draft minutes of each meeting and list of action points from that meeting will be circulated to the Committee within 28 days of the meeting.

7.3 Any conflict of interest shall be declared at the beginning of the meeting and minuted accordingly.

7.4 The Applications Committee shall provide a report of its activities at each meeting of the Council.

**Sue Green**  
**Secretary to the British Hallmarking Council**  
**Amended October 2018**

## **Appendix: Agreed processes**

### **Principles governing the approval of sub-offices**

#### **1. The application**

All applications must be made using the standard Application Form. This includes applications for specific one-off, off-site hallmarking, and for changes to existing premises. In these cases, just those parts of the form relevant to that application should be used.

All details on the application must be accurate and specific to the sub-office under consideration. Incomplete, speculative or generic statements will not be accepted.

In addition to the existing information sought on the Application Form, applicants will in future be required to submit:

- A Companies House search for the client company.
- A declaration from the applicant, to confirm that there are no personal or commercial relationships between them and the client, beyond that of being a customer of the Assay Office.
- A statement setting out the qualifications and relevant experience of the person overseeing the sub-office; and a declaration that they do not have any unspent criminal convictions for dishonesty, or any other reason that casts doubt on their fitness to perform that role.

The application should be submitted to the Committee Chair, and to the BHC Secretary, (who will also provide the secretariat for the Committee).

#### **2. Commercial confidentiality**

The final report from the Applications Committee to BHC setting out its view on the application will be redacted to remove any commercially sensitive information that is not directly relevant to the Council's consideration of the proposal. For the avoidance of doubt it is acknowledged that the name of the of the sub office the subject of the application and its location will need to be disclosed to the Council in the final report for approval

#### **3. Consideration of the application**

Scrutiny of the application is delegated by BHC to the Applications Committee.

For each application, the relevant Assay Office will appoint a named, single point of contact to ensure clear and consistent communication throughout the process. The Applications Committee (AC) will also appoint one of its members to take the lead for each application and to act as a single point of contact for the applicant.

The process will consist of two parts:

- An initial desk-top assessment of the application on the papers. This will be carried out by the lead AC member in consultation with other Committee members (by email or face to face meeting, as appropriate to the circumstances). This stage should check the credibility and accuracy of the application pack. It should also seek to clarify any immediate problems and identify questions to explore at stage two.
- The second stage will consist of a visit to the sub-office site by members of the Committee. The visit will ideally be carried out by the lead member plus at least one other AC member. The purpose of the visit is to check that the arrangements on the ground match those described in the application, and to ensure that the site is suitable for approval.

The relevant Assay Office will be required to pay any reasonable expenses that the Committee incur in considering the application.

The process will be applied flexibly and pragmatically, to ensure that the level of scrutiny of the application is proportionate to the scale and risk of the operation and the nature of the application.

Once the Committee has completed its consideration, it will make a full written report containing a recommendation to BHC to indicate whether it recommends the application should be approved or not. It will also set out any recommended conditions or restrictions on the scope of the approval.

#### **4. Timing of applications**

The Committee will endeavour to be responsive to commercial pressures, and will aim to process applications as quickly as possible. However, Assay Offices should plan ahead when considering when to make an application, bearing in mind the serious nature of the approval process, the need for a site visit, the availability of non-executive AC members, and the relative infrequency of BHC meetings.

Assay Offices should also be aware that, although the Committee will always apply its procedures pragmatically and proportionately, it does not have a separate, fast-track process to consider and approve 'urgent' applications.

#### **5. Determination of applications and arrangements for temporary approval**

Final approval of sub-offices rests with the British Hallmarking Council.

In cases where the Applications Committee is minded to recommend approval of a sub-office application, it has the delegated power to authorise a temporary approval for the site, subject to confirmation at the next full BHC meeting.

For the avoidance of doubt, a temporary approval of a sub-office in practice grants a temporary licence to hallmark. If approval of the sub-office is not subsequently given by the

British Hallmarking Council the temporary licence will be withdrawn. Any items hallmarked during the period of the temporary licence will be deemed to have been validly hallmarked.

## **6. Conditional approval**

The Committee can set conditions which, subject to BHC agreement, must be fulfilled before any approval is complete.

Where approval for a new sub-office is granted, it will generally be conditional on it receiving independent, UKAS or equivalent, accreditation within a specified period, not usually exceeding six months. Accreditation should take place within the next scheduled audit period.

Where conditions are not met in full, the approval will be withdrawn.

## **7. Period for implementation of sub-office approval**

Where BHC approve a new sub-office that is yet to come into operation, the application will be required to be re-submitted and re-approved if the sub-office is not brought into use within two years of the approval date.

## **8. Changes to sub-offices following approval**

Where there is any material change to the sub-office following approval, the relevant Assay Office must contact the Committee and set out the nature of the changes.

A new application will be required if the Committee feel that the nature of the changes is such as to require re-validation.

If the Committee decides that the changes are not material the Committee shall have the power to authorise the assay office to implement the changes without any further steps.

## **9. Annual Assurance and Supervision**

For each sub-office, the relevant Assay Master will provide the Committee with an annual assurance, consisting of:

- A copy of the latest independent, UKAS or equivalent, accreditation of the operation.
- A declaration that the conditions of operation of the sub-office have not changed in any material respect in the last twelve months, or notification of any changes made or anticipated.
- A declaration that the agreed control regime on site has continued to operate effectively during that period, and/or notification of any instances of non-compliance.
- Any internal audit reports by the parent office during the period: internal audits should be carried out by the parent office at least twice in the approval period of 5 years

- Any material breaches of internal processes at the sub-office with details of such breaches and corrective action taken. If there has been no material breach of internal processes, confirmation that there has been no breach.
- If the sub-office has approval but is not operating, an annual assurance must still be provided, confirming that it is not operating.
- If a sub-office has been approved but has not been put into operation within two years of the date of approval, that approval shall expire at the end of the two year period.

The Committee can, at its discretion, require any additional relevant information, or commission any test, that it feels appropriate and proportionate in order to assure itself about the ongoing satisfactory operation of a sub-office. This may include seeking the involvement or opinion of the Queen's Assay Master, or other suitable independent party.

If the Committee has any concerns as a result of the information supplied, it can recommend that the sub-office should be subject to re-validation.

## **10. Re-validation**

All sub-offices will be subject to re-validation every five years from the date of first approval or last re-validation.

This process will be conducted in the same way as a fresh application, but may be supplemented by any of the measures identified in 9 above.

The existing approval will stay in place whilst revalidation is carried out.

The Committee will report all Re-Validations and Annual Assurances as part of its routine report to each BHC meeting.

## **11. Register of sub-offices**

To ensure transparency, the Committee will maintain a register, which will be available to all BHC members, recording all current sub-office approvals, and the re-validation date for those premises.

The BHC Secretary will maintain a record for each sub-office, for the confidential use of the Applications Committee, consisting of:

- The original application, the original Applications Committee recommendation, and BHC approval.
- Records of every Annual Assurance Statement, and any action the Committee agreed as a result.
- Records of every Re-Validation exercise, and any action the Committee or BHC agreed as a result.