

## **BRITISH HALLMARKING COUNCIL**

**Minutes of a meeting held at the Birmingham Assay Office Assay Office Birmingham, 1 Moreton Street, Birmingham B1 3AX on Monday 12 October 2015 at 11 a.m.**

**PRESENT:**

- Mr Christopher Jewitt (Chairman)
- Mr Bryn Aldridge
- Mr Simon Batiste
- Ms Carol Brady
- Mr Robert Grice
- Ms Kale Hartigan
- Mr Andrew Hinds
- Mr Derek Lassetter
- Mr Adrian Levett
- Mr Eric Melrose
- Mr Dick Melly
- Mr Tom Murray
- Mr John Pearce
- Mr David Sanders

**IN ATTENDANCE:**

- Mr Peter Edwards (NMRO)
- Ms Stella Layton (Assay Master- Birmingham Assay Office)
- Mr Ashley Carson (Assay Master- Sheffield Assay Office)
- Dr Robert Organ (Deputy Warden - London Assay Office)
- Mr Scott Walter (Assay Master- Edinburgh Assay Office)
- Ms Geraldine Swanton (Secretary)

### **1. APOLOGIES AND WELCOME**

Apologies were received from Ms Helen O'Neill, Mr John Stirling, Mr Neil Carson and Mr Chris Heaton.

### **2. DECLARATION OF INTERESTS**

There were no formal declarations of interest, though it was recognised that there existed a potential conflict of interest in respect of the members appointed by London and Birmingham Assay Offices in relation to the sub-office applications at items 8.3 and 8.3 respectively of the

agenda. Similarly, a potential conflict of interest was recognised in respect of the member appointed by the Sheffield Assay Office in relation to item 7.2 (complaint regarding a refusal to hallmark). The Chairman declared an interest in item 4 (election of the Chairman).

### **3. MINUTES OF THE COUNCIL MEETING ON 13 APRIL 2015**

Subject to minor amendments, the minutes of the meeting were accepted as a true and accurate record and signed by the Chairman.

### **4. ELECTION OF CHAIRMAN**

The Chairman was re-appointed by the Council for a further three years. There were no other nominations. (This item was taken at the end of the meeting.)

### **5. MATTERS ARISING**

#### 5.1 Website (par 4.3 of previous minutes)

The Chairman acknowledged that the Council's website was controlled by BIS and was not in a satisfactory state at present, but that nothing could be done in the short term.

#### 5.2 Internet (par 5.2 of previous minutes)

The Council noted the legal advice.

It was agreed that it would be useful to include on the Council's website a guidance note on the application of the Hallmarking Act to internet sales of articles made of precious metal.

**Action: The Secretary will draft a short guidance note for publication on the Council's website.**

#### 5.3 Proposal from Apple (par 4.3 of previous minutes)

The Chairman confirmed that he responded to Apple in the term set out in the previous minutes.

#### 5.4 International Association of Assay Offices (IAAO) (par 6.5 of previous minutes)

Scott Walter reported that the Dutch Ministry had assured the IAAO that product samples were subjected to chemical analysis in the main Dutch assay office to support the testing in the Hamburg sub-office. Further, assurances were given regarding renewal of the Hamburg sub-office's accreditation.

### **6. CHAIRMAN'S REPORT**

#### 6.1 Enterprise Bill

The Chairman referred to the letter from BRE and noted that when the legislation comes into force, the Council will have to make a brief report on the Business Impact Target in the Annual Report.

The remaining items were for noting with the exception of the Triennial Review

#### 6.2 Triennial review

The Chairman indicated that a risk register and framework document will be drafted by the end of 2015, as required by the Review.

#### 6.3 BIS 2020

The Chairman reported that HMT invited BIS to look at reductions in expenditure of either 25% or 40%. Work was ongoing in BIS under the name "BIS 2020", part of which was a study to reduce the number of partner organisations by 50%. This could have negative consequences for the NMRO and the Council: the spending review announcement is scheduled for late November.

## **7. THE TECHNICAL COMMITTEE**

### 7.1 Report from the Technical Committee

The Technical Committee reported that the issues raised at the April meeting continued to be work in progress.

Robert Organ reported that the IMO hosted a Convention meeting and that there was a possibility of a merger of the roles of both organisations. Given the problem arising in relation to the Italian application for membership of the Convention, a new constitution with a provision for decisions to be made by majority voting may be considered. Serbia and Croatia were in the process of becoming Convention members.

Robert Organ also reported that the IMO intends to recruit a professional secretary and treasurer.

### 7.2 Complaint by "Dot the Jewellers" against a refusal by SAO to hallmark items of mixed precious metals.

The Technical Committee reported that two assay masters had inspected the articles in question and concluded that the precious metals (gold and platinum) were not distinguishable. Provision was made in the Hallmarking Act for refusing to hallmark items in compliance with a request to do so in circumstances where the metals could be distinguished and, in the circumstances, SAO had acted reasonably and would make a recommendation accordingly to the Council. The Technical Committee also felt that the Council's guidance was clear.

**Action: The Secretary will record the Technical Committee's oral recommendation and send it to the complainant and the Council so that a decision can be made in accordance with the Council's procedure.**

### 7.3 Mutual Recognition Regulation (MMR)

The Chairman referred to a letter from the European Commission relating to the potential use of the internal market information system for the purposes of the EU Regulation on mutual recognition, which was circulated by Robert Organ.

**Action: This issue will be put on the agenda for the next meeting.**

## **8. THE APPLICATIONS COMMITTEE**

### 8.1 Report from the Applications Committee

Adrian Levett drew members' attention to the Applications Committee's report, which was included in the bundle. He commended the work of the other members of the Committee over the last nine years, all of whom will retire on 31 December 2015. Items from the reports were discussed as follows:

### 8.2 Application by LAO for a sub-office at Graff Diamonds

The Applications Committee's recommendation to the Council was that the application be granted.

**Outcome: The Council accepted the Applications Committee's recommendation.**

### 8.3 Application by BAO for a sub-office in Mumbai, India

The Applications Committee's recommendation to the Council was that the application be granted.

**Outcome:** The Council accepted the Applications Committee's recommendation.

### 8.4 The Applications Process and Requirements

Adrian Levett noted that the recommendations of the Application Committee to the Council in respect of sub-office applications were made following consideration of the technical aspects of those applications. It was for the Council, and not the Applications Committee, to assess other matters within its statutory remit, such as the implications of an application, if any, for the adequacy of hallmarking.

Adrian Levett summarised the proposals for changing the sub-office applications process, which were set out in the Report of the Applications Committee.

The Council discussed the matter of assay offices ensuring effective control over sub-offices located overseas, where the sub-office was a separate legal entity employing hallmarking staff. The requirement for a contract between the assay office and the overseas entity was proposed. The consensus was that a contract was not necessary where the overseas entity was a wholly-owned subsidiary of the assay offices. The proposed amendments to the guidance notes to the application form should not, therefore, include a reference to a contract. A working party should instead be created to consider the principles of control that should apply in circumstances where the overseas entity is other than a wholly-owned subsidiary of the assay office. The principles, once drafted by the working party, **will** be submitted for the Council's approval and will be included **in** the sub-office application form.

**Outcome:** The Council agreed that a working party should be set up to draft a set of control principles to apply to overseas applications, the members of which will be Bryn Aldridge, Stella Layton and Geraldine Swanton, with support from Adrian Levett.

**Action:** **The Secretary will liaise with the members of the working party to set up a meeting.**

### 8.5 Succession planning

David Sanders expressed a willingness to become a member of the Applications Committee and was duly appointed by the Council. Two further members will need to be appointed from the Council when the appointments by the Secretary of State have been completed.

Peter Edwards reported that unlike arrangements made hitherto, the NMRO was not conducting the recruitment exercise on its own, but in association with BIS. It has proved to be a time-consuming process and the deadline for completing it had been extended. There have been 46 applications and 12 will be interviewed for four vacancies, subject to the Minister's approval. The interview panel will consist of the Chairman of the Council, Peter Edwards, an independent member and a representative from the BRDO (Kale Fletcher). Peter Edwards was confident that the process would be concluded by Christmas.

On behalf of the Council, the Chairman thanked the members of the Applications Committee for their work during their nine-year tenure. Stella Layton also thanked the Applications Committee for processing BAO's application so quickly.

## 9. ACTIVITY AND ENFORCEMENT REPORTS FROM THE ASSAY OFFICES

### 9.1 SAO's sub-office in Milan

Simon Batiste reported that the French were refusing to recognise SAO hallmarks applied in the Milan sub-office. He criticised the UK Government for being insufficiently proactive.

Peter Edwards responded by stating that the NMRO had written a letter of complaint to the French Government and a response was expected before Christmas.

Stella Layton stated that UK hallmarks were recognised in Spain as a result of the efforts of Scott Walter. In her view, seeking recognition was the responsibility of the UK Government and not the assay offices. Peter Edwards assured the Council that NMRO was responding to the problem and would make any relevant paperwork available. In his view, the resolution of the French problem was likely to be determined by the judgment of the European Court of Justice in respect of the refusal of the Czech Republic to recognise other EEA hallmarks.

## 9.2 Activity and enforcement

All the assay offices reported that hallmarking activity was inconsistent and therefore unpredictable. SAO reported that the Milan sub-office is now operating one day per week.

BAO reported that enforcement activity (in relation to valuations) was being taken against pawnbrokers by Southwark Trading Standards. SAO commended the enforcement efforts of Trading Standards in the Bradford area.

## 10. TOUCHSTONE AWARD

### 10.1 Report from Robert Grice

Robert Grice referred to his report on the Touchstone Award 2015, which was included in the bundle. He drew particular attention to the application by West Yorkshire, which highlighted issues to which the Council should give consideration. The application revealed that there were traders in the area who failed to comply with their hallmarking obligations, notwithstanding that they had been warned by Trading Standards on a number of occasions. Further, 80% of items on average were not hallmarked. In Robert Grice's view, the lack of effective enforcement was problematic and is a matter which the Council should encourage Trading Standards to address. Robert Grice concluded by stating that the Touchstone Award keeps hallmarking on the agenda.

Carol Brady recommended seeking the cooperation of community leaders to encourage greater enforcement. Those leaders determine spending priorities and if it can be demonstrated that the result of poor enforcement is financial detriment to consumers, enforcement of hallmarking may be given more attention.

Andrew Hinds recommended using the trade associations to raise the profile of the Touchstone Award. He also suggested that breach of hallmarking requirements could be advanced as a reason for refusing membership of the association, though there was no clear means of obtaining a list of traders who have been prosecuted.

It was agreed that the Council should give greater consideration to the issues raised by the West Yorkshire application, in particular to consider what, if any, efforts should be made to engage with Trading Standards Departments to improve enforcement.

**Action: Items regarding appointments to the Touchstone Award Committee and means by which the Council could engage with Trading Standards to effect an increase in enforcement activity will be put on the agenda for the next Council meeting.**

### 10.2 Touchstone Award 2016

It was agreed that the Touchstone Award should continue in 2016.

## 11. CHARTERED TRADING STANDARDS INSTITUTE ACADEMIC RESEARCH BURSARIES

The Council noted the report submitted by Robert Grice.

## 12. REPORT ON APPOINTMENTS (NMRO)

This item was addressed under 8.5 above.

**13. BHC COSTS**

The Council noted the report on costs to the end of September.

**14. ANY OTHER BUSINESS**

The Chairman expressed his gratitude to Grant McDonald, Adrian Levett, Derek Lassetter, Eric Melrose and Dick Melly for their contributions to the work of the Council. He also expressed his thanks to Birmingham Assay Office for hosting the meeting.

**15. DATES AND VENUES FOR MEETING IN 2016**

April 2016 - Edinburgh

October 2016 - Sheffield

Proposed dates will be circulated at a later date.