



BRITISH HALLMARKING COUNCIL

2018 CORPORATE STATEMENT

1 Founding Legislation

The British Hallmarking Council ("BHC") is established by the Hallmarking Act 1973 ("the Act"). The constitution of the BHC is set out in Schedule 4 of the Act. The sponsoring body of the BHC is the Office for Product Safety & Standards ("OPSS") which is part of the Department of Business, Energy & Industrial Strategy ("BEIS").

2 Classification

For policy / administrative purposes, the BHC is classified as an executive Non-Departmental Public Body (NDPB). For national accounts purposes, the BHC is classified to the central government sector.

3 Functions and aims

The BHC aims to protect consumers by:

- Ensuring the adequacy of hallmarking facilities in the UK
- Supervising the working of UK assay offices and their sub-offices, including offshore sub-offices
- Applying and keeping under review the system for applications for and monitoring of sub-offices
- Overseeing proportionate, risk-based regulations
- Overseeing relationships with and between assay offices, trade, consumers, trading standards and government concerning the market in precious metals.

4 Review of specific objectives for 2017

In its Business Plan for 2017 the BHC set out objectives as follows:

1. *Governance and Administration: to undertake a governance review, and to appoint a secretariat to the Council*

An initial review of governance has been undertaken and will be progressed during 2018. A new secretariat has been established.

2. *Operational Integrity: to review Council oversight of offsite operations and review the consistency of hallmarking generally*

The Applications Committee (a sub-committee of the BHC) has undertaken to review BHC oversight of offsite operations and review the consistency of hallmarking generally, in consultation with the Queen's Assay Master. This objective will be carried forward in 2018.

3. *Enforcement and Education: to establish an Enforcement and Education Committee; to complete delivery of the Touchstone Award 2017; to develop a plan for future development of the Touchstone Award; to undertake a review with key stakeholders of how future enforcement might be leveraged, conducted and supported*

The Education & Enforcement Committee (a sub-committee of the BHC) has been re-established. It oversaw the successful Touchstone Award in 2017 and is planning the future development of the Award to enhance enforcement activity. It is also reviewing how future enforcement might be leveraged, conducted and supported.

4. *Technical Consistency: to review how technical decisions are made, logged, communicated and monitored*

The Technical Committee (a sub-committee of the BHC) is reviewing how technical decisions are made, logged, communicated and monitored for their continuing relevance and applicability. This objective will be carried forward in 2018.

5. *Off Shore Consultation: to receive and analyse the results of the consultation and to decide how this impacts on future policy*

The question of distinguishing marks for items hallmarked overseas has continued to be an issue for Council members, with no consensus being reached within the Council. The Council therefore conducted a consultation exercise in 2017 in consultation with and with the support of BEIS. The Council worked with an independent consultant, John Bridgeman, a former Director General of Fair Trading, to help clarify the issues raised. At its meeting in March 2018 the Council decided in principle that hallmarks struck overseas by UK Assay Offices should be distinguished by way of a special mark. Once there is agreement on the form that the mark should take it will be implemented within one year and guidance will be published.

6. *Brexit: to agree a strategy / policy and to respond to developments as appropriate*

Representations have been made to Government regarding Brexit and the importance of ensuring a system of reciprocal recognition of hallmarks.

7. *Amendments to the Hallmarking Act: to compile a list of possible changes and improvements.*

The Joint Assay Office sub-committee of the BHC has undertaken a review of amendments needed to the Hallmarking Act.

5 Objectives for 2018

1. Governance and administration

An initial review was undertaken in 2017. The outcome of this will be developed into a refreshed scheme of governance for the BHC.

2 Operational integrity

- a. Working with the Queen's Assay Master, to review oversight of arrangements to ensure the continued integrity of assay operations, including sub-offices.
- b. To develop new protocols for applications for sub-offices.

3 Technical consistency

- a. To review the database of technical decisions and guidance, and how technical decisions are made, logged, communicated and monitored.
- b. To develop a protocol for the use of XRF testing.

4 Education and enforcement

- a. To increase focus on compliance by the industry, starting with testing compliance with the Hallmarking Act in current trading conditions, with particular reference to the impact of internet and global trading on consumer protection and dealing with instances of non-compliance. Lessons learned from this to be used to formulate longer-term objectives.
- b. To complete delivery of the Touchstone Award 2018.
- c. To develop a plan for the future development of the Touchstone Award.
- d. To design and implement improvements to the BHC website on gov.uk to enhance the visibility and understanding of hallmarking for consumers.
- e. To put in place succession planning for the Education & Enforcement Committee.

5 Raising the profile of hallmarking and the BHC

- a. To investigate the possibility of commissioning a viability and customer impact study of a proposed new Buyer's Certificate for hallmarked items at the point of sale.
- b. To review actions needed to enhance the industry's understanding of the structure and remit of the BHC.

6 Offshore hallmarking consultation

To implement the agreed way forward following the consultation and publish guidance.

7 Brexit

- a. To map the UK jewellery industry including imported products.
- b. To engage with the BEIS work programme on legal, trading and regulatory structures, and respond accordingly.

8 Amendments to the Hallmarking Act

To progress the review of amendments to the Hallmarking Act: compile a list of possible changes and improvements to the Hallmarking Act 1973 and its accompanying schedules to ensure it is fit and proper for its purposes.

9 Council

- a. To appoint new Chairs for the Applications Committee and the Education & Enforcement Committee.
- b. To conduct appraisals of Council members.
- c. To audit the Council's operations against the Regulators' Code.

10 Planning for 2019

To bring the 2019 draft Business Plan and Budget to the October 2018 Council meeting for approval.

11 Sponsor relationship

To work with BEIS to recruit new Council members and plan their induction and prepare for the Tailored Review planned for early 2019.

6 Review of hallmarking

The predecessor department to BEIS, then known as the Department for Business, Innovation & Skills ("BIS"), carried out a Triennial Review which was completed in 2015 and the recommendations implemented.

BEIS plans to carry out a Tailored Review of the BHC in early 2019.

7 Rules and guidelines concerning Duties and Powers

The duties and powers of the BHC are set out in the Act.

Broadly, it is the function of the BHC to ensure that the UK hallmarking system is adequate, and to supervise the activities of the Assay Offices. Also, it seeks to ensure that the law is enforced by the Local Authority Trading Standards Departments, and to advise OPSS, acting on behalf of the Secretary of State, about issues arising from time to time, especially those which appear to make a change in the law desirable.

Particular regulatory powers given to the BHC are to fix the maximum amounts which the Assay Offices can charge, to authorise an Assay Office to open and run a sub-Office at a separate location, and to issue directions and regulations concerning practical aspects of hallmarking by the Assay Offices.

The BHC is also a Designated Regulator for the purposes of the Regulatory Enforcement and Sanctions Act. The BHC publishes internal regulations and guidance from time to time, in accordance with the Regulators' Code.

8 Finance

The BHC's annual accounts (year end 31 December) are audited by the National Audit Office.

At the first regular meeting of the BHC each year the Report and Accounts are adopted and any observations and recommendations of the NAO are considered. Further, a draft budget for the year prepared by the Secretary and approved by the Chairman is put to the meeting for approval.

At the regular meetings of the BHC a report of expenditure compared with budget prepared by the Secretary is put to the meeting for consideration and approval.

9 Membership

Composition of the membership of the BHC is laid down in Schedule 4 of the Act, which states that the BHC shall consist of between sixteen and nineteen members. Of these, the Secretary of State shall appoint ten members and the remainder shall be appointed by the BHC and the Assay Offices in accordance with Schedule 4.

The appointment of members by the Secretary of State comes within the remit of the Office of the Commissioner for Public Appointments. BEIS is responsible for advising Ministers on potentially suitable candidates but may consult the BHC and Assay Offices beforehand.

During 2018, a selection process will be undertaken to replace those Secretary of State-appointed members who have served their allotted periods of three terms of three years. BEIS will work with the BHC Chairman in the search and selection process.

10 Officers

The Chairman of the BHC is elected by the BHC from amongst its members to serve for a term of three years from election at the first meeting in an election year until the same meeting three years later. At the election meeting, the remuneration of the Chairman is fixed - normally for the whole term of office, subject to interim review as may be found necessary.

The Secretary of the BHC is appointed by the BHC on such terms as it thinks fit from time to time.

11 Responsibilities of Chairman and Secretary

The Chairman is responsible to the Secretary of State for the performance of the BHC, and for leadership of the BHC strategic decision-making, efficiency and propriety, as well as for representing BHC to the public.

The Chairman is also responsible for the BHC membership issues including induction, though with regard to appointment, the majority of members are appointed by the Secretary of State. The Chairman is also responsible for the adoption and operation of a Code of Conduct. The Chairman is appointed as the Accounting Officer of the BHC by BEIS.

The Secretary is responsible for the secretarial, administrative and financial affairs of BHC.

The Secretary is responsible for legal and financial compliance by the BHC and for advising the BHC on legal and compliance issues.

12 Communication between BEIS and BHC

Officers of OPSS responsible for hallmarking are invited to and attend BHC meetings and receive the meetings papers for and minutes of these.

The Chairman of the BHC has access to the Secretary of State and the Departmental Minister and officers responsible for hallmarking, as may be necessary from time to time.

The Secretary of the BHC has access to responsible officers, and vice versa, as maybe necessary from time to time.

A handwritten signature in black ink, reading "Noel Hunter". The signature is written in a cursive style with a long horizontal stroke at the end.

Noel Hunter OBE
Chairman of the British Hallmarking Council

A handwritten signature in black ink, reading "Sarah A. Smith". The signature is written in a cursive style with a long horizontal stroke at the end.

Sarah Smith
Deputy Director
Policy and Engagement Team
Office for Product Standards & Safety, Department for Business, Energy & Industrial Strategy

12 July 2018