



## **BRITISH HALLMARKING COUNCIL (“BHC”)**

### **2019 CORPORATE STATEMENT**

This Corporate Statement describes the BHC’s functions and aims, its objectives and performance for 2018 and its planned objectives for 2019. It should be read in conjunction with the Framework Document signed by the BHC and its sponsor body the Department for Business, Energy & Industrial Strategy (“BEIS”) in December 2018 (“the Framework Document”).

#### **1 Founding Legislation**

The British Hallmarking Council 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 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 2018**

In its Business Plan for 2018 the BHC set out objectives as follows:

##### *1. Governance and administration*

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

The review of governance was completed during 2018. A comprehensive Governance Overview Document for Council Members was produced and a full review and revision of Standing Orders for the Council and all four committees was undertaken. A new Framework Document was agreed with the sponsoring department, BEIS.

##### *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.

The integrity of hallmarking remains a priority. New protocols for the Applications Committee and applications for sub-offices were agreed as part of the governance review and these will be implemented during 2019.

##### *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.

Technical consistency remains under review by the Technical Committee.

##### *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.

The Education & Enforcement Committee ran another successful Touchstone Award during 2018 and oversaw developments for the future in a new collaboration with the National Association of Jewellers for Touchstone 2019 and beyond. Alongside this, an increased focus on enforcement is gradually raising the profile of hallmarking and the Assay Offices have been instrumental in a number of successful prosecutions. The BHC has commissioned an enforcement pilot which has been commenced in 2019. Review of the BHC's website content and look and feel is under way.

## *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.

Alongside the Education & Enforcement activities, the BHC's profile is being raised, and a programme of publicity for the BHC's activities has been started in 2019.

## *6 Offshore hallmarking consultation*

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

The BHC decided in principle that hallmarks struck overseas by UK Assay Offices should be distinguished by way of a special mark whose form has now been agreed, and communications by way of a revised Dealer's Notice are in hand. The outcome of the consultation on overseas hallmarking was published on gov.uk.

## *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.

The BHC participated in a number of discussions with government regarding the uncertainties thrown up by the planned EU Exit and continues to monitor the situation closely. An industry survey has been commissioned, with initial results considered by the Council at its October meeting. This has been taken forward into a wide-ranging survey across the industry with the results to form the basis of advice to the Secretary of State on the state of the industry.

## *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.

This issue remains under review by the Technical Committee.

## *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.

Four new Council members were appointed with effect from 1 January 2019 and plans for the Applications Committee and Education & Enforcement Committee are being taken forward. Appraisals of Council members were undertaken. The governance review has included an increased focus on the Regulators' Code.

## *10 Planning for 2019*

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

Annual processes were revised so that the Business Plan and draft Budget would be brought to the Council in the autumn ready for the following year. This was done.

## *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.

The recruitment exercise was carried out and an induction programme has been designed for the new Council members. The Tailored Review is awaited.

## **5 Objectives for 2019**

### *1 Brexit*

To review findings of the industry research and identify further actions; to continue to engage with BEIS discussions on legal, trading and regulatory structures and identify actions for the Council; from the date of leaving the EU, EU countries' requests for recognition to be refused if the UK as a third country does not have a mutual recognition agreement in place.

### *2 Operational integrity*

To maintain oversight of arrangements to ensure the continued integrity of Assay Office operations including sub-offices; to implement the new protocols for new applications and to develop systems for ongoing re-evaluations; to put in place new members and a new chair of the Applications Committee.

### *3 Technical consistency*

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

### *4 Hallmarking outside the UK*

To produce the new Dealer's Notice; and publish guidance on offshore marks, communications plan to be implemented.

### *5 Enforcement*

To run the 2019 Touchstone Award in collaboration with the NAJ; to hand over management of the Touchstone Award to a new Council member; to identify actions as a result of the enforcement pilot and internet sweep activities which were set in hand at the end of 2018.

### *6 Education and raising the profile of Hallmarking*

To produce content for the new look BHC website; to keep website content up to date and review scope for refreshing content more frequently; to continue the programme of training for Trading Standards Departments; to work with the Antique Plate Committee where appropriate; to put in place a new chair for the Education & Enforcement Committee.

### *7 Council – new members and appraisal process*

To induct new Council members; to hand over committee roles and activities and provide inductions for those joining committees; to recruit three further new Council members to replace those whose term will end on 31 December 2019. A process for annual appraisal of Council members to be developed

### *8 Governance and administration*

To induct new Council members and allocate responsibilities; to finalise the full suite of governance documents following the governance review; to set up the shared folder for Council members; to update induction materials for Council members and for new members of committees; to undertake an annual review of governance materials; to implement new financial procedures; to continue to operate new payroll system; to continue to operate new data protection procedures.

9 To audit the Council's operations against the Regulators' Code.

10 To agree a policy to increase the diversity of the BHC

## **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.

## **7 Rules and guidelines concerning Duties and Powers**

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

## **8 Finance**

The Framework Document describes the processes for production of the Annual Report & Accounts, audit by the National Audit Office, and budgeting procedures.

## **9 Membership**

The composition of the BHC and the responsibilities of council members are set out in the Framework Document.

## **10 Officers and their responsibilities**

The Framework Document sets out the roles and responsibilities of the Chair, Accounting Officer and Secretary.

## **11 Communication between BEIS and BHC**

The Framework Document describes the sponsor relationship. In particular:

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.

### **Noel Hunter OBE**

Chairman of the British Hallmarking Council

### **Sarah Smith**

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11 April 2019