

BUREAU OF INDIAN STANDARDS

Policy for Qualifying of BIS Licensed Jewellers/Refineries to act as Collection and Purity Testing Centre under the Gold Monetization Scheme

1. Jewellers/ Refineries holding BIS licence for IS 1417 “Gold and Gold Alloys, Jewellery/Artefacts — Fineness And Marking — Specification” may act as “Collection and Purity Testing Centre” under the Gold Monetization Scheme’ of Ministry of Finance ,Government of India subject to fulfilment of requirements mentioned in this policy.

EXPRESSION OF INTEREST

2. Jewellers/ Refineries shall be required to submit Expression of Interest (EOI) to BIS even before establishing facilities for collection and testing of purity of gold. Prescribed format for submitting EOI is available on our website, www.bis.org.in.

ESTABLISHMENT OF CENTRE

3. Soon after applying for EOI, Jeweller/Refinery shall arrange for necessary building/space and place order for all equipments required for weighing, preliminary testing by XRF, melting, sampling and assaying. Such facilities required for collection of gold from customers and testing of its purity in a transparent manner shall be installed at a location for which Jeweller/Refinery can submit the proof of address in the name of the firm, partner or proprietor. The list of essential facilities for setting up of a CPTC is provided at **ANNEX- 1**. In addition to land, building and equipment, presence of technically competent manpower to carryout different functions including assaying of gold shall be necessary.

APPLICATION

4. Having set up a collection centre complete with required facilities as mentioned above, the Jeweller/Refiner shall apply to BIS in the prescribed form enclosed at **ANNEX-2** for verification of the facilities. The application form, duly filled in, along with visit charges Rs 5000/- plus taxes (presently Rs 725 @ 14.5%) shall be sent to the Deputy Director General (DDG) of the concerned Regional Office (RO) where the collection centre is located. A copy of the application form should also be e-mailed to the Hallmarking Department BIS, New Delhi (hallmarking@bis.org.in). In case of a licensed Jeweller, the jeweller shall have a tie-up with a Refinery who either holds BIS licence or has applied for the same. ROs shall inform the details of such applications to Hallmarking Department (HMD) on a weekly basis.

VERIFICATION VISIT

5. The concerned RO shall arrange the visit for verification of essential facilities to the applicant Jeweller/ Refinery within seven days from the date of receipt of application.

6. Auditor shall submit the scanned copy of the verification report to DDG within 24 hours of the visit. The hard copy of the report would also be sent within 2 working days of the visit.

7. During the visit of BIS auditor, applicant shall extend full cooperation to the auditor in carrying out his duty. One sample of gold/gold alloy in duplicate shall be assayed in accordance with IS 1418 in the presence of the auditor during the visit for determining the purity. Duplicate determination shall not give results differing by more than 0.5 parts per thousand (ppt) by mass for yellow and red gold alloys and maximum 0.2 ppt by mass for gold alloys containing 990 ppt or more gold. Corrective actions on the discrepancies, if any pointed out during the visit, shall be completed and intimated to BIS within the agreed time.

ISSUE OF LETTER

8. In case the outcome of visit for verification is satisfactory DDG shall issue a letter (**ANNEX-3**) to the Jeweller/ Refinery regarding qualification of the Jeweller/ Refinery to act as CPTC within three working days from the date of the visit. Information in this regard shall also be sent to HMD. **The letter shall be issued only to jewelers having a tie-up with refiners holding BIS license or who have applied for the same.**

FUNCTIONING AS CPTC

9. BIS shall inform the name of qualifying CPTCs to the Department of Economic Affairs (DEA) on weekly basis. The CPTCs whose name have been notified by the DEA will be eligible to enter into a tripartite agreement with a bank and a refiner. The CPTCs shall follow the Standard Operating Procedure enclosed at **ANNEX-4** while accepting gold under GMS from any customer and also while transferring the cast bar to the refinery.

SURVEILLANCE

10. BIS shall carry out periodic surveillance inspections of the licensed refineries. During inspections, records of receipt and testing will be checked besides carrying out testing of the gold bars received from the CPTCs on random sampling basis.

11. In case, the purity of the sample assayed in presence of BIS Inspecting Officer in the lab of the refinery is at variance with the purity mentioned in the certificate issued by the CPTC, another sample shall be drawn and sent to BIS referral laboratory. However, the sample shall be drawn and sent to the referral laboratory only if the variation observed is more than that as mentioned in para 7 above.

12. The test results of the referral laboratory shall be final. Whenever it is found that test results of CPTC or refinery differ from test results reported by referral lab by more than the variation permitted as per 7 above, action against the erring party shall be taken. In case of CPTC, qualification shall be withdrawn and in case of refinery, license shall be cancelled.

Annex-1
BUREAU OF INDIAN STANDARDS

Application from BIS Licensed Jewellers/Refiners to qualify as Collection and Purity Testing Centre (CPTC) under Gold Monetization Scheme

1.	Details of Jeweller/Refinery	
1.1	Name of Jeweller/Refinery	
1.2	Complete Address of the jewellery outlet/refinery	
1.3	BIS License No.	
1.4	Telephone / FAX / Email	
1.5	Complete Address where viewing /testing facilities have been set up for melting/assaying, if different than 1.2	
1.6	Lay out of the viewing/testing facilities	Please attach lay out map
1.7	Date of submission of EOI	
2	Tie –up with Refinery (Applicable to only Jewellers)	
2.1	Name of the refinery the jeweller have tie-up with	
3	Availability of facilities	
3.1	All required facilities mentioned in ANNEX- 1 are available	Yes/No
3.2	List as per Annex- 1 is attached	Yes/No
4	Details of Payment	
4.1	Visit charges, Rs 5000/- plus taxes	
4.2	DD No./UTR No./Bank Challan No.	
4.3	Name of the Bank	
4.4	Date	

Declaration – This is to declare that the information given above is correct. I also agree to demonstrate the SOP during the visit of BIS auditor.

Signature:
(Proprietor/Partner/Director)

Name:

Designation:

Place:

Date:

Annex-2

Declaration of essential facilities available for viewing/weighing/melting/assaying/storage:

S.No.	Name of facility	Details	Available facilities
VIEWING FACILITIES			
1.	Viewing gallery	Size of viewing- gallery TV Screen Seating Capacity	
2.	CCTV facilities	Recording facility at station <ul style="list-style-type: none"> • Weighing balance • XRF • Induction furnace • Pickling & Hammering • Assaying • Packing Recording capacity(Min. 3 months)	
WEIGHING FACILITIES			
3.	Weighing Balance for receipt of jewellery from the customer	Capacity (Min. 500g) Least Count (0.01g) Calibration Status	
4.	Assay balance	For testing up to 990 fineness – of Least count 0.002 mg For testing above 990 fineness – of Least count 0.001 mg	
CLEANING & MELTING FACILITIES			
6.	Facilities for removing non metallic items:	Workstation Hand tools	
7.	Induction Furnace	Capacity Temperature indicator	
8.	Pure Graphite Crucible	Number(s) Size	

9.	Mould	Size Number(s)	
10.	Pickling and hammering facilities	Reagent(s) Tools	
XRF/ASSAYING FACILITIES			
11	XRF machine	Capable to detect Cd, Pb, Ir and Ru, elements, etc	
12	Cupellation furnace with inlet and outlet for air circulation	Capable of being heated uniformly up to a temperature of 1150 °C	
13	Annealing furnace	Capable of being heated uniformly up to a temperature of 750 °C	
14	Generator (for uninterrupted power supply to the cupellation furnace)		
15	Balling plier		
16	Cupels		
17	Cleaning brush		
18	Hammer and anvil (hammer of 400 g) or power press		
19	Scrapping tools (different type of scrappers, micro drills, chisels, etc)		
20	Emery paper (different grades)		
21	Aluminium and stainless steel tray		
22	Thermometer	0- 120°C Least count 1°C	
23	Hydrometer		
24	Parting tray	With thimbles of Platinum (Pt) or Pt / Ir or unglazed silica	
25	Crucible	Pure graphite crucible for melting of scrapings	

26	Hot plate		
27	Jeweller's rolls/ Rolling mill		
28	Tongs and forceps		
29	Anti-vibration table/platform	For high accuracy assay balance	
30	Numbering device / Number punches		
31	Fume-hood with scrubber		
32	Micrometer.	Least count 0.01 mm	
33	Check gold Silver Copper Lead foil	Min. purity 999.9 ppt Min. purity 999 ppt, free from gold and Platinum (Pt) group metals Min. purity 999 ppt, free from gold and Pt group metals Min. purity 999 ppt, free from gold, Bismuth and Pt group metals	
34	Reference gold samples of for calibration of XRF machine	Minimum two samples of 750 and 916 fineness	
35	Parting acid (free from Halides and Suspended matter) Distilled water Borax	No. 1 – Dilute Nitric Acid of 1.2 g/cc Sp. Gr. No.2 - Dilute Nitric Acid of 1.3 g/cc Sp. Gr.	
36	Drilling Machine	Size of drills (Max 1.0 mm dia)	

PACKING/STORAGE FACILITY			
37	Packing Facility	Tamper proof packing with Serial number	
38	Storage facilities	Tamper proof Safety locker or Safe	

I/We declare that facilities mentioned in the Declaration of essential facilities at sr. no. 1-38 are available with our Collection Centre:	I/We declare that facilities mentioned in the Declaration of essential facilities at sr. no. 1-38 have been verified by me:
Signature:	Signature:
Name of Rep. of Jeweller/Refinery:	Name of BIS Officer:
Designation:	Designation:
Date:	Date:

Annex -3

(On BIS Letter Head)

Our Ref: RO/.....

Date

(Name and Address of Jeweller/Refinery)

.....
.....

Sub: Qualification of Jeweller/Refinery to act as Collection & Purity Testing Centre

Dear Sir,

This has reference to your request datedon the subject mentioned above.

In this context, facilities installed at your Collection Centre were verified by BIS on.....and found satisfactory.

Further, you have undertaken to follow BIS specified Standard Operating Procedure for collection and assaying of gold under the Gold Monetization Scheme. In view of the above, BIS has no objection to your acting as Collection & Purity Testing Centre in accordance with agreement with any Bank and/or a Refiner.

Thanking You,

Yours Faithfully,

Signature of DDGR

Date:

Seal of BIS:

Annex-4

Gold Monetization Scheme

**Standard Operating Procedure for
Collection and Purity testing of Jewellery**

Receipt of jewellery

1. Customer bringing gold jewellery to the CPTC will be treated with dignity. Each process of weighing, testing, melting, etc. shall be performed in presence of the customer. Customer shall also be allowed to note the readings on the balance and XRF machine. In addition, entire process shall also be recorded.
2. Jewellery articles, in any form, weighing minimum 30 g can be accepted under the scheme from a customer at one time. This will constitute one lot. Total weight of all articles shall be recorded. The Centre shall have a well demarcated system for parallel processing of the jewellery/artefacts received under Gold Monetizing Scheme and BIS Hallmarking Scheme

Preliminary Testing

3. Each article shall be tagged with a serial number for identification and individually weighed and tested for purity of gold and also for the absence of prohibited elements such as Iridium, Ruthenium, by XRF machine. Based on the XRF testing a report shall be prepared and given to the customer indicating serial number with description of article, weight and purity.

Consent for Melting

4. Customer will be clearly explained that there could be difference in the purity as determined by XRF and after melting of article and only after taking the consent of the customer the melting shall be done. The charges for melting shall be informed to the customer in advance (as per the schedule of charges to be approved by Banks)
5. Customer shall give his/her written consent for melting of a particular article, or all articles. The articles for which consent has not been provided by the customer shall be returned on payment of applicable preliminary testing charges amounting to not more than Rs 25/- per article.
6. In the event after the XRF testing, the weight of the portion of the lot of jewellery for which consent has been given by the customer is less than 30 g, the CPTC shall not carry out any further operation and return back the whole lot of jewellery to the customer after realizing the applicable preliminary testing charges for the entire lot. The report shall be given to the customer and acknowledgement of the receipt of the returned articles shall be taken.
7. The articles accepted shall be cleaned to remove the non-metallic items like thread, wax, stone, etc, in presence of the depositor and the weight of articles after removal of the non-metallic

items shall be recorded. The removed items shall be given back to the depositor. Net weight of the articles accepted for melting shall be recorded in the presence of the customer.

Melting

8. The accepted lot shall be melted in a graphite crucible. The crucible shall be shown to the customer before taking up melting of the articles. A bar shall be cast from the melted gold and checked for its purity first by XRF and thereafter by fire assay and results of both shall be recorded. Fire assay shall be carried out as per IS 1418:2009.
9. The entire operations of melting, casting and testing shall be visible to the customer and also recorded with the help of CCTV cameras. The cameras shall be suitably placed to capture a clear view of all the operations. The display on a LCD/LED screen shall also be made available.

Report

10. Customer shall be provided with a report indicating purity of the cast bar and its weight. The report shall also indicate the equivalent weight in terms of Standard Gold of 995 fineness calculated as per formula:

$$\text{Eq.wt of 995 purity} = \frac{\text{observed fineness} \times \text{observed weight}}{995}$$

Option for Taking Back/Deposit

11. When the results of fire assay are informed to the customer shall have an option of taking back the melted gold after paying a nominal fee to the centre.

Certificate

12. In case customer wishes to deposit the gold, the cast bar, shall be placed in a temper proof packing. A certificate in the format prescribed by the Bank shall be issued to the depositor certifying the weight and purity of the deposited gold with the serial number marked on the packing. Equivalent weight in terms of Standard Gold of 995 fineness shall also be indicated in the certificate.
13. A copy of such certificate shall also be forwarded to the bank and the refinery with which CPTC has agreement.

Transfer to Refinery

14. The packed cast bar shall be sent to the refinery in accordance with the agreement between the bank, CPTC and refinery.

Documentation

15. CPTC shall only use formats prescribed by the Bank for issuing above mentioned receipt, report and certificate.