

Revised Policy for BIS Recognized Assaying & Hallmarking Centres to act as Collection & Purity Testing Centre (CPTC) under Gold Monetization Scheme (GMS) with provisions of Surveillance as suggested by Ministry of Finance

1. BIS recognized Assaying and Hallmarking Centres (A&H Centre) carrying out assaying and hallmarking of gold jewellery/artefacts in accordance with requirements specified in IS 15820:2009 and meeting additional criteria as specified in this policy will qualify to act as CPTC under GMS.

APPLICATION

2. Any BIS recognized A&H Centre desirous to act as CPTC shall apply to BIS in the prescribed format (**Annex-1**) with visit charges after ensuring that:

a) The A&H Centre is in normal operation at the time of applying for CPTC, and at least one surveillance assessment (surprise audit) of the Centre has been performed by BIS. Also, during the surveillance or verification visit, if any the Centre has not been reported indulging in unethical practices such as

- Hallmarking done without testing and assaying;
- Marking unauthorized Hallmark on jewellery/artefacts;
- Falsification of records/test results or making false declaration regarding the fineness of gold;
- Hallmarking done on articles even after detection of prohibited elements during XRF testing by the A&H Centre as per their records;
- Hallmarking for non-licensee jeweller;
- Hallmarking done using unauthorized marks of BIS, AHC or Jeweller; or
- Hallmarking done with less than five marks

b) The A&H Centre shall fulfill the following requirements regarding

- Equipping itself with additional facilities specified in **Annex-2**
- Following the SOP as per **Annex-3**
- Having a well demarcated system for parallel processing of the jewellery/artefacts received under Gold Monetizing Scheme and BIS Hallmarking Scheme
- Carrying out the entire process of checking/testing in a manner transparent to the customer.

3. Any A&H Centre wishing to act as CPTC shall inform the Deputy Director General (DDG) at the concerned Regional Office (RO) of BIS, with a copy e-mailed to the Hallmarking Department, BIS, New Delhi, regarding readiness for verification of additional facilities required to act as CPTC. RO shall inform the details of such requests received to Hallmarking Department (HMD) on a weekly basis.

VERIFICATION VISIT

4. The concerned RO shall inform the tentative date of the visit for verification of additional facilities to the A&H Centre through e-mail under intimation to HMD.
5. Verification visit (one man-day) shall be completed within 15 days from the date of receipt of request from the A&H Centre. The visit for verification shall be done on payment of assessment fee of Rs 5000 plus service tax per man-day. The cost of travel and stay expenses, if any, shall be borne by the A&H Centre.
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.

ISSUE OF LETTER

7. In case the outcome of visit for verification is satisfactory DDG shall issue a letter (**Annex-4**) to the A&H Centre regarding qualification of the A & H Centre to act as CPTC within three working days from the date of the visit. Information in this regard shall also be sent to HMD.

FUNCTIONING AS CPTC

8. 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-3** while accepting gold under GMS from any customer and also while transferring the cast bar to the refinery.

SURVEILLANCE

9. During audits by BIS, records of receipt and testing and transfer to refinery will be checked.
10. BIS will also be carrying out inspections of licensed Refineries where assaying of cast bars received from CPTCs on random sample basis shall be carried out. One sample of gold/gold alloy in duplicate shall be assayed in accordance with IS 1418 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.
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 10 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 para 10 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**Request from BIS recognised Assaying & Hallmarking Centre to qualify as Collection and Purity Testing Centre (CPTC) under Gold Monetization Scheme**

1.	Details of A & H Centre	
1.1	Name of Assaying & Hallmarking Centre	
1.2	Complete Address	
1.3	BIS Recognition No.	
1.2	Telephone / FAX / Email	
2.	Eligibility	
2.1	Whether A&H Centre is in normal operation at the time of applying for CPTC	Yes/No
2.2	Whether at least one surveillance assessment audits of the A&H Centre have been performed by BIS.	Yes/No
2.3	Whether the centre has been reported indulging in un-ethical practices during surveillance/verification visit such as	
2.3.1	Hallmarking done without testing and assaying;	Yes/No
2.3.2	Marking unauthorized Hallmark on jewellery/artefacts;	Yes/No
2.3.3	Falsification of records/test results or making false declaration regarding the fineness of gold	Yes/No
2.3.4	Hallmarking done on articles even after detection of prohibited elements during XRF testing by the A&H Centre as per their records	Yes/No
2.3.5	Hallmarking for non-licensee jeweler;	Yes/No
2.3.6	Hallmarking done using unauthorized marks of BIS, AHC, or Jeweller; or hallmarking done with less than five marks	Yes/No
3	Availability of additional facilities	
3.1	Viewing gallery(from where customer can see weighing, melting and complete testing)	Yes/No
3.2	Weighing balance for receipt of jewellery from the customer (with minimum 500 g capacity and 0.01g least count)	Yes/No
3.3	Facilities for removing non metallic items	Yes/No
3.4	Induction furnace	Yes/No
3.5	Crucibles of Pure graphite	Yes/No
3.6	Pickling and Hammering facilities	Yes/No

3.7	CCTV facilities	Yes/No
3.8	Storage facilities (Tamper proof Safety locker/Safe)	Yes/No
3.9	Drilling machine for sampling with drill of size not more than 1.0 mm diameter	Yes/No
3.10	Tamper proof packing material	Yes/No
3.11	Mould(s) for casting of bar	Yes/No
4	Other Requirements	
4.1	Whether SOP have been read and accepted	Yes/No
4.2	Lay out of the centre with additional facilities enclosed	Yes/No
5	Details of Payment	
5.1	Visit charges, Rs 5000/- plus taxes	
5.2	DD No./UTR No./Bank Challan No.	
5.3	Name of the Bank	
5.4	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:
Seal:

Date:
Place:

Annex-2

Declaration of Additional Infrastructure requirements

S.No.	Name of facility	Details	Available facilities
1	Viewing gallery	Size of viewing- gallery TV Screen Seating Capacity	
2	Weighing Balance for receipt of jewellery from the customer	Capacity (Min. 500g) Least Count (0.01g) Calibration	
3	Facilities for removing non metallic items:	Workstation Hand tools	
4	Induction Furnace	Capacity Temperature indicator	
5	Pure Graphite Crucible	Number(s) Size	
6	Mould	Size Number(s)	
7	Pickling and hammering facilities	Reagent(s) Tools	
8	Drilling Machine	Size of drills (Max 1.0 mm dia)	
9	Packing Facility	Tamper proof packing with Serial number	
10	Storage facilities	Tamper proof Safety locker or Safe	
11	Assay balance for testing above 990 fineness	Least count of 0.001 mg	
12	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)	

I/We declare that additional facilities mentioned in the Declaration of Additional Infrastructure requirements at sr. no. 1-12 are available with our A&H Centre:	Additional facilities mentioned in the Declaration of Additional Infrastructure requirements at sr. no. 1-12 have been verified by me:
Signature: Name of Rep. of A&H Centre: Designation: Date:	Signature: Name of BIS Officer: Designation: Date:

Annex-3

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 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 (to be finalized by the Banks)

12. In case customer wishes to deposit the gold, the cast bar, shall be placed in a temper proof packing. A certificate 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 use only specified format (see Annex 5 & 6) for issuing above mentioned receipt, report and certificate.

Annex -4

(On BIS Letter Head)

Our Ref: RO/.....

Date

(Name and Address of A&H Centre)

.....

.....

Sub: Qualification of A&H Centre to act as Collection & Purity Testing Centre

Dear Sir,

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

In this context, additional facilities installed at your A&H 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: