

Assaying and Hallmarking



Code of Conduct



Self-Assessment Guide



**Swarna Adarsh
Abhiyaan**

An industry initiative

Inspired by the Retail Gold Investment Principles

Supported by



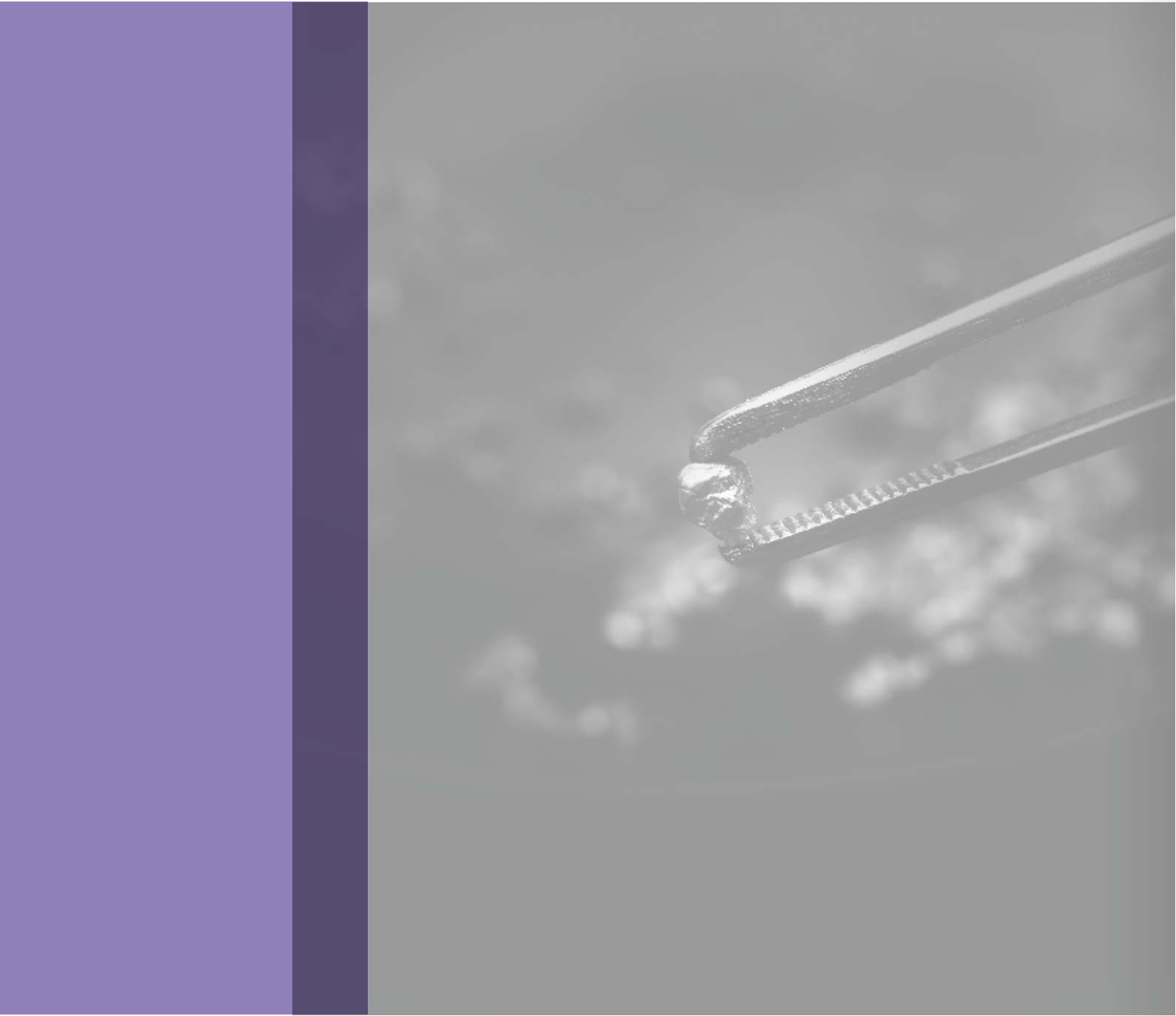
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Welcome to the in-depth guide for Assaying and Hallmarking.



The first part - the Code of Conduct, will help you understand and adapt to the best practices laid out as per the Retail Gold Investment Principles.

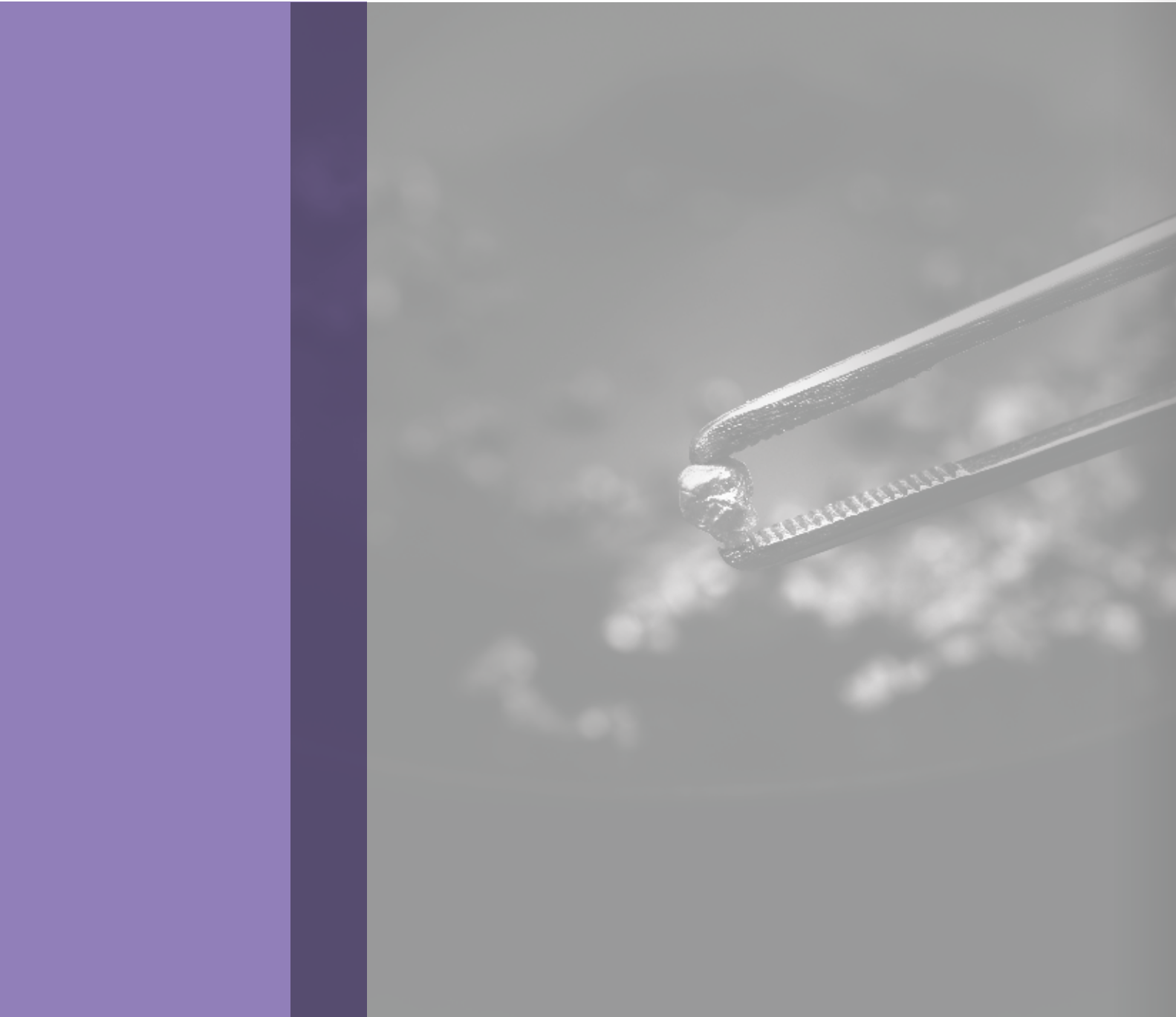


The second part - The Self-assessment Guide will help you identify areas of improvement through a comprehensive questionnaire.

We hope that with this guide by your side, you can embark on a glorious journey and set a new benchmark in the gold industry.

Contents

Introduction and structure of the Code of Conduct document	...06
Scope and Objectives	...07
India Gold Market Code of Conduct - Assaying and Hallmarking	...10
Linkage to Retail Gold Investment Principles	...12
Implementation guidance	...14
• Procurement	...15
• Customer and complaints management	
• Assaying and Hallmarking	...18
• Transportation, storage and delivery	...21
• Payments	...22
• Risk management	
• Audit and compliance	...23
Dissemination and application of Code of Conduct	...24
Disclaimer	
Annexure A: Self-assessment guide	...25
• Introduction to Self-assessment guide	...26
• Detailed assessment guidance	...27
• Assessment Summary	...41
Annexure B: Version control	...42
Notes	...43



Introduction and structure of the Code of Conduct document

This Code of Conduct document is aimed at providing high-level guidance for assaying and hallmarking.

The Code of Conduct includes sound practices, additional best practices and implementation guidance for assaying and hallmarking.

Sound practices capture healthy practices which should be followed by any provider (across all sizes, complexity, etc.)

Additional best practices are aimed at larger/matured providers who wish to adhere to even higher standards of practice

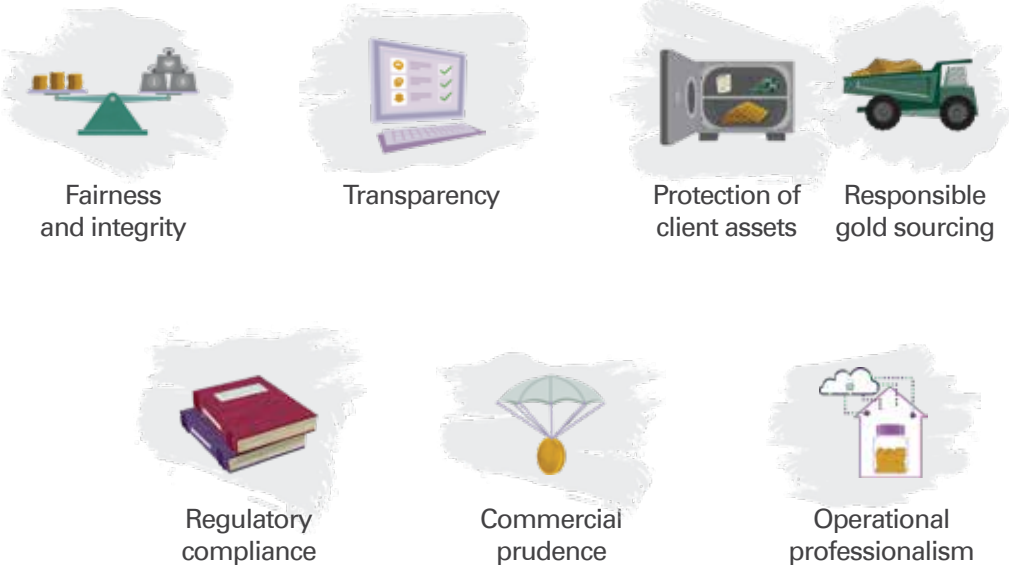
Implementation guidance offers broad steps to deploy sound practices/additional best practices at an organisation. The guidance is directional in nature and is not exhaustive. Practical application of these practices will require a detailed guidance that is specific to the organisation.

Scope and Objectives



World Gold Council launched Global Retail Gold Investment Principles (RGIPs) in August 2020. The principles are designed to raise the bar for providers across the market and encourage retail investors to place their trust in gold. Greater trust should benefit customers as well as providers, creating value and driving demand across the industry.

Global Retail Gold Investment Principles



Gold is an important asset class in India with an annual demand of ~800–900 tonnes¹, making India the world’s second largest consumer of gold. Gold holds a unique place in India, being culturally and socially significant², and is an important savings asset³ with its consumption driven largely in the form of jewellery⁴, investment bars and coins.

¹ Source: Viability of a Gold Exchange in India, 2016 by India Gold Policy Centre
² ~87% of estimated gold stock in India is with women
³ ~20% of household wealth stored is in the form of gold
⁴ ~80% of gold demand in India is in the form of jewellery compared to ~35% globally

While Indians have a strong affinity for investment in gold, individuals seeking to invest in gold face several challenges in doing so, particularly around price transparency and quality assurance. As the market is fragmented and there is no overarching supervisory body, an industry-defined Code of Conduct is deemed to be an effective mechanism for protecting the interest of retail investors.

Effective dissemination and implementation of the Code of Conduct should enhance trust of consumers in gold products. This should, in turn, drive demand for both established and new gold products, benefitting consumers and the industry. This document is a step in that direction, and it lays out the Code of Conduct specific to assaying and hallmarking. There are similar existing Code of Conduct documents for other activities across gold value chain including refining, bullion trading, manufacturing, and retailing. We may develop further Code of Conduct for activities such as vaulting, lending, etc. in future, as required.

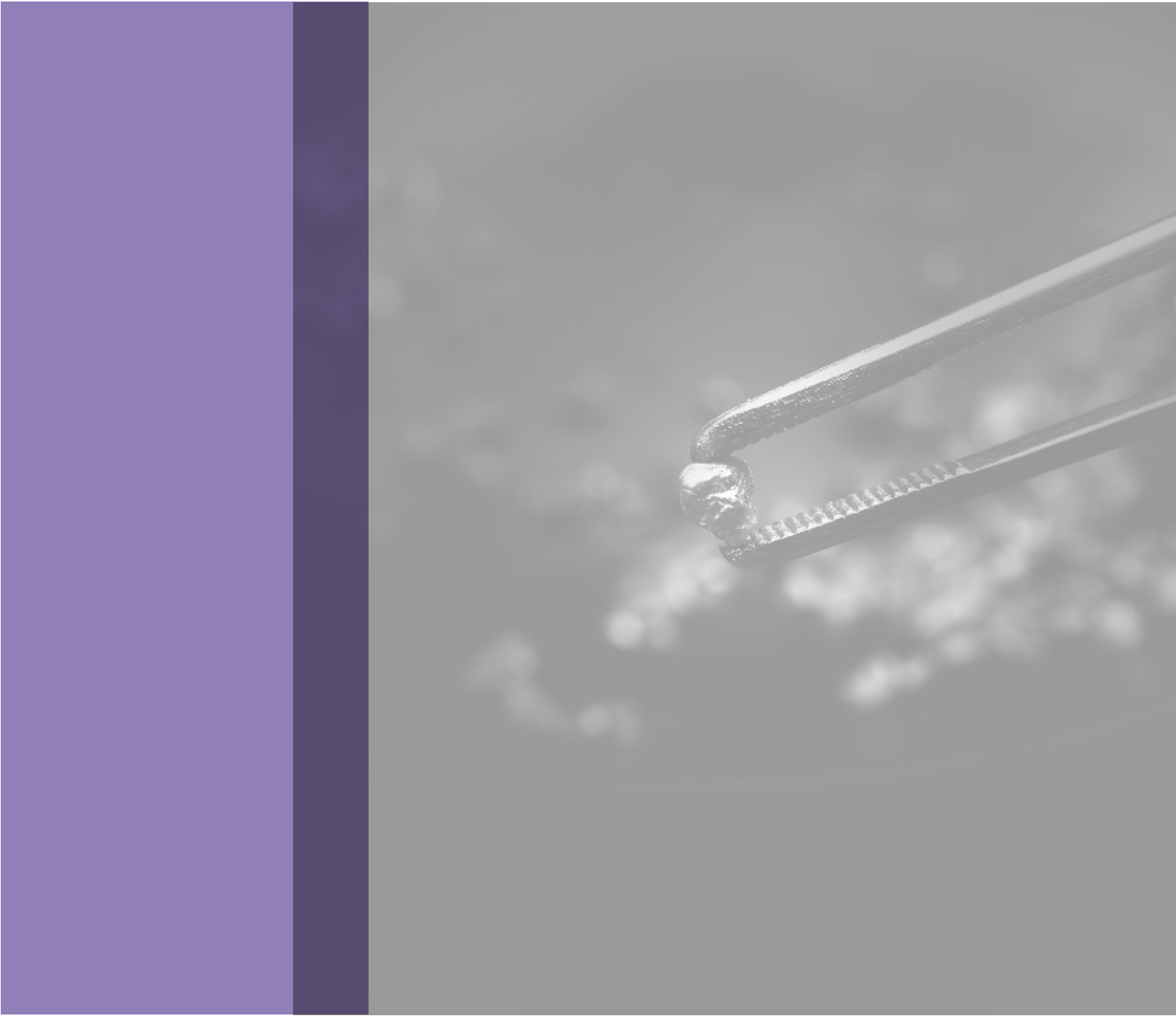
Gold jewellery value chain



The process of developing the Code of Conduct has included interaction with a number of industry experts, providers and other stakeholders. We envision that the Code of Conduct guidelines will continue to evolve over time in step with global best practices and changing consumer preferences and improved awareness of consumers in India.

India Gold Market

Code of Conduct - Assaying and Hallmarking



Activity	Sound Practices
Procurement	1. I promise to buy supplies and equipment of required technical specifications from trustworthy suppliers while ensuring due documentation for each purchase
Customer and complaints management	2. I promise to ensure adequate KYC processes and collect all relevant information about the article before accepting it for assaying and hallmarking 3. I promise to offer educational material to customers on assaying and hallmarking practices or point them to credible sources of such information 4. I promise to implement customer complaint management systems meeting industry standards 5. I promise to protect customer information and not divulge it to anyone unless mandated by the law
Assaying and Hallmarking	6. I promise to have mandatory industrial licenses/approvals as per applicable regulations 7. I promise to maintain integrity of entire assaying and hallmarking process (including sampling, testing, marking) as per applicable industry standards 8. I promise to charge applicable fees and disclose key terms and conditions to customers 9. I promise to document records for all processes conducted to maintain traceability as per applicable industry standards
Transportation, storage and delivery	10. I promise to protect customer assets through operational controls and insurance as per applicable industry standards 11. I promise to disclose terms and conditions and protect customer rights with regards to depositing samples or taking delivery of their gold holdings
Payments	12. I promise to clearly communicate and adhere to terms, conditions and timelines of payment with every customer and supplier, consistently and impartially
Risk management	13. I promise to proactively identify major financial and non-financial risks to my business and take appropriate steps to mitigate / manage the risks
Audit and compliance	14. I promise to comply with all applicable laws and regulations, maintain adequate documentation and disclose any information as required by regulatory authorities

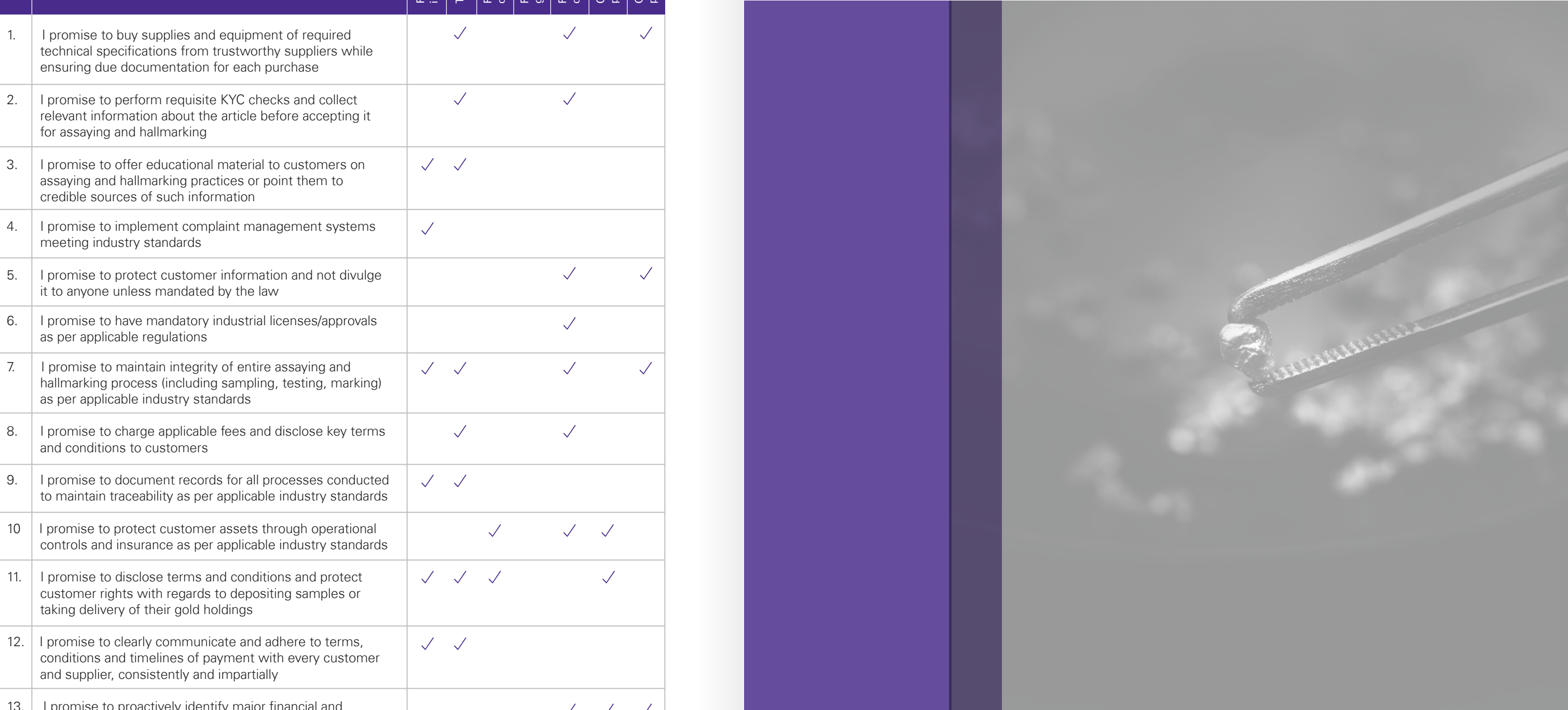
Linkage to Retail Gold Investment Principles



Sound practices and Additional best practices for Assaying and Hallmarking cover all the seven Global Retail Gold Investment Principles and are mapped predominantly as below

No.	Sound practices/Additional best practices	Fairness and integrity	Transparency	Protection of client assets	Responsible gold sourcing	Regulatory compliance	Commercial prudence	Operational professionalism
1.	I promise to buy supplies and equipment of required technical specifications from trustworthy suppliers while ensuring due documentation for each purchase		✓			✓		✓
2.	I promise to perform requisite KYC checks and collect relevant information about the article before accepting it for assaying and hallmarking		✓			✓		
3.	I promise to offer educational material to customers on assaying and hallmarking practices or point them to credible sources of such information	✓	✓					
4.	I promise to implement complaint management systems meeting industry standards	✓						
5.	I promise to protect customer information and not divulge it to anyone unless mandated by the law					✓		✓
6.	I promise to have mandatory industrial licenses/approvals as per applicable regulations					✓		
7.	I promise to maintain integrity of entire assaying and hallmarking process (including sampling, testing, marking) as per applicable industry standards	✓	✓			✓		✓
8.	I promise to charge applicable fees and disclose key terms and conditions to customers		✓			✓		
9.	I promise to document records for all processes conducted to maintain traceability as per applicable industry standards	✓	✓					
10	I promise to protect customer assets through operational controls and insurance as per applicable industry standards			✓		✓	✓	
11.	I promise to disclose terms and conditions and protect customer rights with regards to depositing samples or taking delivery of their gold holdings	✓	✓	✓			✓	
12.	I promise to clearly communicate and adhere to terms, conditions and timelines of payment with every customer and supplier, consistently and impartially	✓	✓					
13.	I promise to proactively identify major financial and non-financial risks to my business and take appropriate steps to mitigate / manage the risks					✓	✓	✓
14.	I promise to comply with all applicable laws and regulations maintain adequate documentation and disclose any information as required by regulatory authorities					✓		

Implementation guidance



Procurement

1 I promise to buy supplies and equipment of required technical specifications from trustworthy suppliers while ensuring due documentation for each purchase

- Ensure that the technical specifications of supplies (laboratory consumables, etc.) and equipment meet BIS standards
- Empanel only trustworthy suppliers who meet technical specifications as per BIS standards
- When sourcing new equipment (e.g. in cases of technology upgradation) or supplies, ask for the requisite information and demos from the supplier and assess any risks to quality of tests

- Ensure documentation of relevant details (item identification, technical specifications, warranty details, equipment manuals) for each purchase order

Excerpt from 'Generic Quality Manual' by BIS⁵ :

The centre evaluates suppliers of all critical consumables, supplies and services which affect the quality of assaying & hallmarking, based upon their overall past performance on quality delivery, price and pre and post purchasing services, and maintains records of these evaluation and list approved suppliers and service providers

⁵https://bis.gov.in/wp-content/uploads/2018/11/Hm_Manual.pdf

Customer and complaints management

2 I promise to ensure adequate KYC processes and collect all relevant information about the article before accepting it for assaying and hallmarking

- Perform KYC checks and collect requisite information as per BIS standards before accepting request for assaying from customer
- Capture any additional information (e.g. from market intelligence) or documents (e.g. self-declaration by customer that the gold items have not been acquired illegally)
- Update the information recorded for onboarded customers annually or intermittently in case any red flag is raised for the customer from market intelligence or any reliable source

Excerpt from 'Generic Quality Manual' by BIS:

The centre shall review the requests for hallmarking. The established procedure will be to examine the request as well as each article in the consignment to check for the following:

1. Whether the request was from a BIS licensed jeweller;
2. The scope and validity of submitted licence;
3. Markings on the articles (articles with any marking will not be accepted);
4. Quantity in numbers, corresponding weight with respective declared fineness;
5. Design for articles (medallions/coins resembling currency of any country will not be accepted for Hallmarking);
6. Insurance of the articles submitted for Hallmarking purposes by the licensee;
7. The capability in respect of available of CRMs;
8. The capability in respect of meeting delivery time schedule;
9. Delivery more and charges, if any;
10. Hallmarking charges applicable; and
11. The jeweller has given an undertaking declaring their identification mark as declared to BIS

3 I promise to offer educational material to customers assaying and hallmarking practices and results or point them to credible sources of such information

- Proactively educate customers on different assaying methods (e.g. XRF, fire assay) and organize field visits to demonstrate process on-site
- Encourage customers to verify assaying and hallmarking results (weight, product specifications, etc.)

- Educate customers on useful upstream practices (e.g. maintain positive tolerance for purity during manufacturing, use of standardized metals and alloys for manufacturing etc.) to minimize risk of rejection during hallmarking process
- Guide customers to credible sources of information (e.g. BIS/NABL standards) to help them understand the assaying and hallmarking standards and make informed decisions

4 I promise to implement customer complaint management systems meeting industry standards

- Set-up adequate systems (physical/digital) and processes to receive, record and redress customer feedback, queries and complaints to ensure a high degree of customer satisfaction
- Educate customers on their rights to raise complaints and the process to access customer support
- Communicate your responsibility for specific issues, e.g. quality of testing, timely delivery
- Provide adequate training to support staff and ensure their availability during standard office hours by email and phone at a minimum
- Take appropriate actions for continuous improvement based on customer feedback and root cause analysis of the complaints

those conveyed telephonically. CEO shall examine each complaint, carry out necessary investigation and take appropriate action for quick redressal of the complainant. Complaints shall be resolved within one month. In case a complaint is not resolved within given time frame, the same shall be brought to the knowledge of BIS

- Complaints shall be received by the Quality Manager and recorded, including those conveyed telephonically.
- CEO shall examine each complaint, carry out necessary investigation and take appropriate action for quick redressal of the complainant.
- Complaints shall be resolved within one month.
- In case a complaint is not resolved within given time frame, the same shall be brought to the knowledge of BIS

Excerpt from 'Generic Quality Manual' by BIS:

The procedure for receiving, recording, investigating and resolution of customer complaints shall be as follows. Complaints shall be received by the Quality Manager and recorded, including

Sample Scenario:

I own an AHC and have been serving many larger jewellers. A lot of new small retailers have exhibited interest in getting their jewellery hallmarked from our centre, after the issue of mandatory hallmarking. These retailers were earlier selling non-hallmarked jewellery and thus I am not sure about their practices. I want to expand my business without bringing any disrepute to my brand. How can I still do business with such retailers?

Potential Response:

It is critical to conduct due diligence before embarking on business with new customers, especially the ones which lack previous record. A few must-do activities include:

- Request the retailer to share all necessary KYC details such as BIS license, PAN details, business license as required by BIS standards
- Conduct more stringent internal sampling for new customers who earlier sold non-hallmarked jewellery
- Conduct market visit including retailer’s shop to get some of the KYC details
- Conduct mystery shopping, if possible, to understand the business practices of the retailer (check if they are selling fake hallmarked jewellery)

5 I promise to have mandatory industrial licenses/approvals as per applicable regulations

- Get requisite registration/details from relevant authority (BIS/NABL) before setting up AHC

- Ensure that the centre is compliant with local regulations such as below⁶
 - Environmental clearances
 - Fire and safety clearances
 - Labour related registrations
- Maintain process and standards for ongoing renewal of license as required

Assaying and Hallmarking

6 I promise to have mandatory industrial licenses/approvals as per applicable regulations

- Get requisite registration/details from relevant authority (BIS/NABL) before setting up AHC
- Ensure that the centre is compliant with local regulations such as below⁶
 - Environmental clearances

- Fire and safety clearances
- Labour related registrations
- Water pollution clearances

⁶List of clearances is indicative in nature – may or may not be applicable depending on the regulation. AHC should solicit appropriate legal advice to understand all the clearances required

- Maintain process and standards for ongoing renewal of license as required

7 I promise to maintain integrity of entire assaying and hallmarking process (including sampling, testing, marking) as per applicable industry standards

- Conduct sampling and testing in line with processes described by BIS. Ensure that SOPs for assaying and hallmarking process accurately captures the BIS requirements and are being followed by staff
- Ensure that the applied marking conforms to product specifications. Consider all aspects of non-conformance as mentioned in BIS standards.
- Adopt quality management systems and practices such as root cause analysis, corrective action and preventive action for cases of non-conformity
- Ensure that testing labs are suitably equipped with testing equipment and meet the minimum regulatory technical specification.
- Regularly check calibration of testing equipment to prevent measurement errors. Record any deviations and apply correction factor, if required

- Ensure competent and qualified personnel are deployed to conduct assaying and hallmarking as defined by BIS. Provide regular training to staff including role specific training as well as enhancing knowledge of new technologies and testing methods. Provide opportunities to staff to participate in inter-lab comparison and proficiency testing programs conducted by independent providers
- Maintain appropriate records of procedures used by documenting each step and testing results of the assaying and hallmarking process (weight, purity, impure metals composition, etc.) in line with BIS standards
- Follow BIS directives in case the assaying and hallmarking services are suspended or de-recognized by BIS

Excerpt from ‘Generic Quality Manual’ by BIS:

The centre has developed this procedure to identify non-conformity at any stage of assaying and hallmarking and to prevent it from further processing. It covers from receiving, sampling, XRF analysis, assaying, Hallmarking and delivery and to take necessary action based on detected nonconformity

8 I promise to charge applicable fees and disclose key terms and conditions to customers

- Meet the regulatory pricing for assaying and hallmarking for all customers irrespective of their knowledge of the industry
- Disclose the assaying and hallmarking processes and key risks involved e.g. damage to item in destructive testing method
- Disclose and agree on acceptable error limits as well as reasons for potential discrepancies in measurement (e.g. non-homogeneity of the sample)
- Communicate to customers that hallmarking is based on random sampling from a homogenous batch and also inform them about the course of action in case a sample fails (e.g. the whole batch will be considered as failed and retested if necessary)

9 I promise to document records for all processes conducted to maintain traceability as per applicable industry standards

- Maintain records throughout the assaying and hallmarking process along with appropriate recordkeeping controls as required by BIS
- Establish sophisticated digital systems, if required, to maintain traceability of each gold item assayed
- Ensure that information regarding price (hallmarking charges, other fees, taxes, etc.), product specifications (purity, weight, stones), transaction (invoice number, etc. is clearly documented on transaction receipt/business contract of the customer
- Share the assay results digitally / along with the delivery challan to the customer at time of return of gold articles (including the cornet) post assaying or hallmarking
- Inform customer along with BIS (as per applicable regulations) if impurities such as platinum group metals are found in jewellery
- Disclose details for number of items tested and pass percentage annually or as deemed feasible

Excerpt from 'Generic Quality Manual' by BIS:

The policies of centre management is to maintain and control of records pertaining to management system and technical activities and maintain confidentiality, protect and ensure security of records, especially records in the computers. Technical records includes original observations, derived data, internal / external calibration records, staff records, a copy of each assay report, contracts, external and internal test reports, customer's papers and feedbacks and personnel responsible for the sampling, performance of test and checking of results

Sample Scenario:

I am a large refiner following best practices in my industry. I am now looking to set up an AHC to cater to additional demand for jewellery hallmarking owing to mandate from the government. While I want to leverage my brand in refining to build credibility in the market, I am looking to understand the key requirements of best-in-class assaying and hallmarking operations.

It is important to have thorough understanding of BIS standards and industry best practices when looking to build credibility in the industry

- Process – BIS has defined detailed step-by-step requirements and standards for assaying and hallmarking process which should be followed thoroughly. Besides, conduct market visits to understand both local and global techniques used in assaying and hallmarking process
- People – Hire people with sound technical skills and deep experience in the industry. Ensure that management team also has strong technical expertise
- Technology - Ensure that equipments used have the correct technical specifications, are in best working condition and rightly calibrated. Besides, explore potential new technologies (used globally) for purity testing as well as marking that are more sophisticated
- Leverage the learnings from refining business to maintain operational professionalism in areas such as recordkeeping (transactions, assaying and hallmarking results, etc.), traceability, disclosure of key terms and conditions to customer, etc.
- Avoid any potential conflicts of interest with manufactures or retailers soliciting hallmarking services from the AHC
- Ensure that complete integrity of the process is maintained, disregarding any and all external pressures

Transportation, storage and delivery

- 10

I promise to protect customer assets through operational controls and insurance as per applicable industry standards
- Establish systems and procedures to safeguard customers' assets (gold items held on behalf of the customer on AHC's premise) as per BIS standards
 - Establish additional measures of access control of storage areas to protect assets against misuse, fraud or operational loss
 - Consider other kinds of insurance e.g. indemnity insurance to protect AHC against any claim of lower purity in hallmarked items vis-à-vis the marked purity
- A room with safe is available with adequate locking arrangements in the Centre for storage of articles during working hours and overnight.

• Security system with closed circuit TV and monitoring system is available for keeping round-the-clock watch centrally about internal activities and also about nearby surroundings of the centre as a preventive measure.

• Items are suitably protected in final packaging for transportation (if required) delivery.

• The centre shall take insurance for articles / articles under process / stock and high cost equipments for minimum amount of ₹10 lakhs

Excerpt from 'Generic Quality Manual' by BIS:

- The Centre shall receive jewellery/artefacts only from jeweller. Articles are covered under transit insurance with systematic identification of each article in the Packing List / Issue Voucher giving details of description, weight and fineness.

- 11

I promise to disclose terms and conditions and protect customer rights with regards to depositing samples or taking delivery of their gold holdings
- Provide information on delivery time, charges, requirements related to minimum lot sizes, names and necessary information of logistics service providers, etc. to the customers
 - Disclose terms including information on customer rights, insurance arrangements, etc.
- Agree upfront with the customer for the entity taking responsibility for the gold in transit (e.g. retailer/supplier or logistics company)

• Ensure that the product is only accepted from and delivered to authorised person only by means such as government ID verification

Payments

- 12

I promise to clearly communicate and adhere to terms, conditions and timelines of payment with every customer and supplier, consistently and impartially
- Disclose/solicit key terms and conditions with customers and suppliers such as
 - Timelines for payment
 - Operational charges in addition to the assaying and hallmarking charges such as delivery, storage, etc.
 - Insurance arrangements (for customers)
- Agree on the quality and quantum of products and services to be provided and document these in Service Level Agreements (SLAs)

• Communicate any changes to terms and conditions clearly to repeat customers/ suppliers

Risk management

- 13

I promise to proactively identify major financial and non-financial risks to my business and take appropriate steps to mitigate / manage the risks
- Proactively identify major risks for the business such as
 - Operational risks (liability due to testing error or fraud)
 - Legal and compliance risk (adherence to BIS standards)
 - Wind-down
 - Deploy risk management practices including processes, policies, roles and responsibilities to mitigate / manage identified risks, e.g.
 - Ensure complete independence of quality management department to ensure integrity of assaying and hallmarking process and minimize errors, fraud or operational loss
- Create check list for reporting and disclosures to ensure compliance with regulations

– Deploy adequate safeguards to protect the KYC information collected from suppliers, customers, logistics agencies, etc. Implement cyber-security best practices and be prepared for IT emergencies, including system failure

– Assign responsibilities around issues such as planning or approval of a wind-down plan

Audit and compliance

- 14

I promise to comply with all applicable laws and regulations, maintain adequate documentation and disclose any information as required by regulatory authorities
- Comply with all applicable laws and regulations in the markets in which they operate (including those where customers and potential customers are located)
 - Establish and maintain accurate records along with appropriate recordkeeping controls as per BIS standards
 - Document any compliance procedures for internal purposes, as well as for any legitimate requests by external parties such as regulators or business partners
 - Conduct regular internal / external audits and record all information as required by BIS
 - Disclose any information related to taxation, consumer protection as required by regulatory authorities

Dissemination and application of the Code of Conduct

The proposed sound practices, additional best practices and implementation guidance are voluntary so, at present, there will be no audit or public endorsement by the World Gold Council. However, we believe that conforming with these practices will strongly benefit providers and customers. Over time, too, we expect stakeholders to push for implementation of the sound practices outlined in this document.

Providers are therefore encouraged to independently demonstrate compliance with the sound practices. This should strengthen trust in their offerings, facilitate customer acquisition, drive business growth and foster cooperation with external partners such as vault operators, security carriers, gold dealers and banks. Providers can demonstrate adherence to the practices through public disclosure to customers, investors and other interested parties. This can be achieved in several ways – via providers’ own websites, through marketing materials or more generally online.

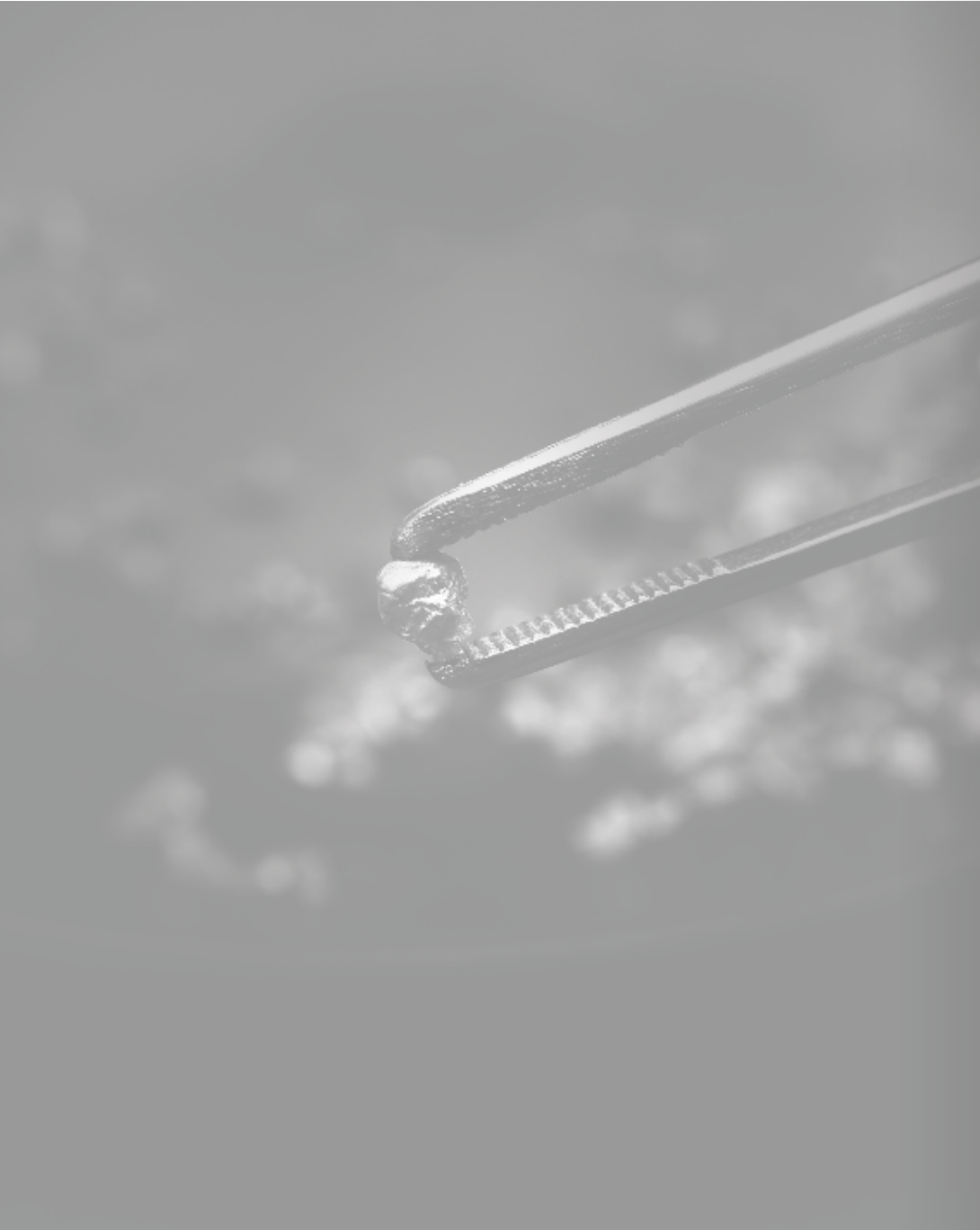
Providers who choose to go beyond to additional best practices will be able to differentiate themselves from peers.

Disclaimer

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Annexure A: Self-assessment guide



Introduction to Self-assessment guide

The self-assessment guide is applicable for organisations of any size as the test is based on the practices deployed and not the volume of trade conducted. It is voluntary at present and there will be no audit or public endorsement by the World Gold Council. Providers can demonstrate adherence to the practices through public disclosure to customers, investors and other interested parties. This can be achieved in several ways – via providers’ own websites, through marketing materials or more generally online

Self-assessment guide aims to help the provider with current state assessment of their practices against corresponding Code of Conduct and entails three steps for assessment

1. Read the corresponding Code of Conduct thoroughly before beginning this assessment
2. Refer to guiding questions to develop conclusion for the organisation's practices against each Code of Conduct statement – to determine the extent to which a Code of Conduct is observed by the organisation
3. Assess current state against each Code of Conduct. The assessment is built on the gravity and urgency to address the areas of improvement.

Assessment outcome would be as following –

A. Observed (O)

The provider observes the Code of Conduct in entirety

B. Broadly Observed (BO)

The provider broadly observes the Code of Conduct. The assessment has identified one or more areas of improvement that the provider should address and follow up in a defined timeline

C. Partly Observed (PO)

The provider partly observes the Code of Conduct. The assessment has identified one or more critical areas of improvement and should be addressed as high-priority items

D. Not Observed (NO)

The provider doesn't observe the Code of Conduct

The self-assessment guide is evolving in nature and will mature over time with inputs from the market participants

Detailed assessment guidance

1 I promise to buy supplies and equipment of required technical specifications from trustworthy suppliers while ensuring due documentation for each purchase

Current state:

- ☐ Observed
- ☐ Broadly observed
- ☐ Partly observed
- ☐ Not observed

Key questions to consider:

1. Do you ensure technical specification of supplies (laboratory consumables, etc.) and equipment as well as purchasing process meet BIS standards?
2. Do you conduct due diligence / have internal processes to evaluate suppliers before initiating business with them?
3. Do you ask for requisite information and demos before upgrading to a new equipment?
4. Do you maintain records of all purchases for reasonable period?

Assessment notes:

Area(s) of improvement:

2 I promise to perform requisite KYC checks and collect all relevant information about the article before accepting it for assaying and hallmarking

Current state:

- ☐ Observed
- ☐ Broadly observed
- ☐ Partly observed
- ☐ Not observed

Key questions to consider:

1. Do you perform KYC checks as per BIS standards and any additional due diligence before onboarding new customers? Do you update this information periodically?
2. Do you collect requisite information about the article as per BIS standards before accepting request for assaying and hallmarking from the customer?

Assessment notes:

Area(s) of improvement:

3 I promise to offer educational material to customers on assaying and hallmarking practices or point them to credible sources of such information

Current state:

- ☐ Observed
- ☐ Broadly observed
- ☐ Partly observed
- ☐ Not observed

Key questions to consider:

1. Have you developed any educational material for customers?
Do you include details on assaying and hallmarking process (sampling, testing, etc.) in such materials?
2. Do you train front-end staff to use this material to educate customers?
3. In absence of in-house materials, do you point customers to other external sources of credible information?

Assessment notes:

Area(s) of improvement:

4 I promise to implement customer complaint management systems meeting industry standards

Current state:

- ☐ Observed
- ☐ Broadly observed
- ☐ Partly observed
- ☐ Not observed

Key questions to consider:

1. Do you have adequate systems and processes to receive, record and redress customer feedback, queries and complaints in line with BIS standards?
2. Do you educate customers on their rights to raise complaints and the process to access customer support?
3. Do you analyse customer feedback and root cause of the complaints and take appropriate actions?

Assessment notes:

Area(s) of improvement:

5 I promise to protect customer information and not divulge it to anyone unless mandated by the law

Current state:

- ☐ Observed ☐ Broadly observed
☐ Partly observed ☐ Not observed

Key questions to consider:

1. Do you deploy adequate physical and IT infrastructure to protect customer information?
2. Do you have internal policies around customer information management?

Assessment notes:

Area(s) of improvement:

6 I promise to have mandatory industrial licenses/approvals as per applicable regulations

Current state:

- ☐ Observed ☐ Broadly observed
☐ Partly observed ☐ Not observed

Key questions to consider:

1. Do you ensure compliance to all applicable industrial licenses / approvals for your centre?
2. Do you maintain records of any cases of non-compliance, queries from regulator along with actions taken to resolve them?
3. Do you have adequate processes to ensure timely renewal of licenses?

Assessment notes:

Area(s) of improvement:

7

I promise to maintain integrity of entire assaying and hallmarking process (including sampling, testing, marking) as per applicable industry standards

Current state:

- ☐ Observed
- ☐ Broadly observed
- ☐ Partly observed
- ☐ Not observed

Key questions to consider:

1. Do you ensure SOPs for assaying and hallmarking process accurately captures the BIS requirements?
2. Do you have processes and systems to ensure that the applied marking conforms to product specifications?
3. Do you ensure technical competency of staff and accuracy of testing equipment?

Assessment notes:

Area(s) of improvement:

^aGold source, gold quality, artisans/contractors who have worked on the jewellery etc.

8

I promise to charge applicable fees and disclose key terms and conditions to customers

Current state:

- ☐ Observed
- ☐ Broadly observed
- ☐ Partly observed
- ☐ Not observed

Key questions to consider:

1. Do you meet the regulatory pricing for assaying and hallmarking for all customers?
2. Do you disclose the assaying and hallmarking processes and key risks (e.g. damages to article) involved objectively?
3. Do you disclose and agree on acceptable error limits?
Do you communicate potential reasons for potential discrepancies in measurement?

Assessment notes:

Area(s) of improvement:

9 I promise to document records for all processes conducted to maintain traceability as per applicable industry standards

Current state:

- ☐ Observed
- ☐ Broadly observed
- ☐ Partly observed
- ☐ Not observed

Key questions to consider:

1. Do you maintain records throughout the assaying and hallmarking process along with appropriate recordkeeping controls as required by BIS?
2. Have you established physical/digital systems for complete traceability of gold throughout the assaying and hallmarking process?
3. Do you ensure that requisite information regarding price, product and transaction is clearly documented on transaction receipt/business contract and shared with the customer?

Assessment notes:

Area(s) of improvement:

10 I promise to protect customer assets through operational controls and insurance as per applicable industry standards

Current state:

- ☐ Observed
- ☐ Broadly observed
- ☐ Partly observed
- ☐ Not observed

Key questions to consider:

1. Do you deploy adequate safety measures (e.g. physical security, access control) and insurance as per BIS standards to safeguard customers' assets (such as gold items held on behalf of the customer on AHC's premise) and your own interest (e.g., indemnity insurance)?

Assessment notes:

Area(s) of improvement:

11

I promise to disclose terms and conditions and protect customer rights with regards to depositing samples or taking delivery of their gold holdings

Current state:

- ☐ Observed
- ☐ Broadly observed
- ☐ Partly observed
- ☐ Not observed

Key questions to consider:

1. Do you disclose terms and conditions (e.g. delivery time, charges, minimum lot size) with regards to depositing samples or taking delivery of their gold holdings?
2. Do you agree with customers on their rights, insurance arrangements, responsibility of transit, authorisation for receipt/delivery etc. for each transaction / on contract basis?

Assessment notes:

Area(s) of improvement:

12

I promise to clearly communicate and adhere to terms, conditions and timelines of payment with every customer and supplier, consistently and impartially

Current state:

- ☐ Observed
- ☐ Broadly observed
- ☐ Partly observed
- ☐ Not observed

Key questions to consider:

1. Do you communicate and clearly align on key terms of payment against products/services provided before finalizing trade with suppliers / customers?
2. Do you ensure that you as well as the suppliers adhere to the terms?
3. Do you have mechanisms in place for events when one party violates the terms?

Assessment notes:

Area(s) of improvement:

13

I promise to proactively identify major financial and non-financial risks to my business and take appropriate steps to mitigate / manage the risks

Current state:

- ☐ Observed
- ☐ Broadly observed
- ☐ Partly observed
- ☐ Not observed

Key questions to consider:

1. Do you identify, measure and monitor major financial and non-financial risks to business?
2. Do you have risk management practices including policies, governance in place to mitigate / manage the identified risks?
3. Do you have appropriate policies, processes and governance to ensure complete independence of quality management team?

Assessment notes:

Area(s) of improvement:

14

I promise to comply with all applicable laws and regulations, maintain adequate documentation and disclose any information as required by regulatory authorities

Current state:

- ☐ Observed
- ☐ Broadly observed
- ☐ Partly observed
- ☐ Not observed

Key questions to consider:

1. Do you comply with all applicable laws and regulations (e.g. BIS standards)?
2. Do you maintain records and documentation for all compliance and audit procedures? Does it include details of queries from regulator, events of non-compliance and corresponding actions taken?
3. Do you conduct internal audits and record all information as required by BIS?
4. Do you disclose this information to customer or regulatory authorities when requested?

Assessment notes:

Area(s) of improvement:

Activity	Sound Practices	Rating
Procurement	1. I promise to buy supplies and equipment of required technical specifications from trustworthy suppliers while ensuring due documentation for each purchase	O / BO / PO / NO
Customer and complaints management	2. I promise to perform ensure adequate KYC processes and collect all relevant information about the article before accepting it for assaying and hallmarking	O / BO / PO / NO
	3. I promise to offer educational material to customers on assaying and hallmarking practices or point them to credible sources of such information	O / BO / PO / NO
	4. I promise to implement customer complaint management systems meeting industry standards	O / BO / PO / NO
	5. I promise to protect customer information and not divulge it to anyone unless mandated by the law	O / BO / PO / NO
Assaying	6. I promise to have mandatory industrial licenses/approvals as per applicable regulations	O / BO / PO / NO
	7. I promise to maintain integrity of entire assaying and hallmarking process (including sampling, testing, marking) as per applicable industry standards	O / BO / PO / NO
	8. I promise to charge applicable fees and disclose key terms and conditions to customers	O / BO / PO / NO
	9. I promise to document records for all processes conducted to maintain traceability as per applicable industry standards	O / BO / PO / NO
Transportation, storage and delivery	10. I promise to protect customer assets through operational controls and insurance as per applicable industry standard	O / BO / PO / NO
	11. I promise to disclose terms and conditions and protect customer rights with regards to depositing samples or taking delivery of their gold holdings	O / BO / PO / NO
Payments	12. I promise to clearly communicate and adhere to terms, conditions and timelines of payment with every customer and supplier, consistently and impartially	O / BO / PO / NO
Risk Management	13. I promise to proactively identify major financial and non-financial risks to the business and take appropriate steps to mitigate / manage the risks	O / BO / PO / NO
Audit and Compliance	14. I promise to comply with all applicable laws and regulations, maintain adequate documentation and disclose any information as required by regulatory authorities	O / BO / PO / NO

Annexure B: Version control

The Code of Conduct is a continuously evolving document intended to incorporate latest and best practices in the industry. The below table reflects the history of updates and latest version of the document

S.No.	Version Number	Timeline
1.	Code of Conduct_Assaying and Hallmarking_vMar2021	Mar, 2021

Notes

Notes