



Gold Jewellery Exports & Gold Articles Exempted From Mandatory Hallmarking

The New BIS order to strengthen the Gold Jewellery trade and provide boost to the Gold Jewellery Exports from India

28th December 2021, Mumbai: In a major relief to the industry, the Govt. through the notification dated 24th December 2021, has issued guidelines on exemptions given in Hallmarking of Gold Jewellery and Gold Artefacts including on any article meant for international exhibitions; any article meant for domestic business-to-business exhibitions, approved by the Government; and special categories of jewellery, namely Kundan, Polki and Jadaau. This announcement has come at the back of the numerous requests made on the export and re-import rules with respect to the trade policy of the Government of India.

Colin Shah, Chairman, GJEPC said, "The new BIS guidelines will make the Hallmarking policy in line with the FTP and also ensure ease of doing business for exporters as hallmarking is an Indian consumer specific regulation and exporters have to comply with the hallmarking regulations of the country to which the goods are exported. The amendment will provide fillip to the Gold Jewellery trade and further boost the Gold Jewellery exports from India in the new year. We are in deep gratitude to the government who has been extremely cognizant of our demands and has always boosted our growth in fulfilling the Atmanirbhar Bharat dream. I am hopeful that this momentum continues and we are all set to enter the new year with new spirit and zeal to help us achieve our goal of USD 41.75 billion in exports for the year 2021-22".

Below is a detailed analysis of the hallmarking guidelines:

1. Exports related transactions-

i) Hallmarking Order exempts 'any article meant for export: Exempts 'any article meant for export, which conforms to any specification required by the

foreign buyer' from the scheme of hallmarking. However, such 'specification' does not imply that there must be a pre-existing export order prior to manufacture, storing, etc. It only implies that gold articles of any physical specification (and not necessarily those which are currently specified under IS 1417:2016) are excluded from hallmarking, provided such physical specifications (of purity, fineness etc.) are as per requirements of the foreign buyer. This is also considering that much of manufacturing in the industry happens in anticipation of exports.

ii) Jewellers with Valid IEC: All jewellers, who hold a valid IEC and transact only in the export stream, meaning that such jewellers only undertake export transactions and do not transact in the domestic stream, shall not fall within the framework of hallmarking and no compliance, shall be required to be carried out by them. Similarly, all sales made to such an exporter would therefore be exempted from hallmarking. In this regard, a declaration shall be submitted to the selling jeweller by the exporter, at the time of selling un-hallmarked gold articles to him.

iii) Domestic sales: In the case where the exporter affects domestic sales and where common inventory is maintained by such an exporter, for operations in export and domestic stream, hallmarking shall be carried out prior to making sales in the domestic stream.

iv) B2B Gold Sale: The sale of gold articles on a B2B basis to an exporter would be exempted. If such articles are being sold without hallmarking on account of eventual export, the selling jeweller would be required to obtain a declaration from the exporter.

For such procurements made, the exporter shall not be called upon to provide a one-to-one correlation as to end use of each individual un-hallmarked procurements. Absent eventuality of any domestic sale without hallmarking, the jeweller would be considered to have sufficiently complied with the provisions of hallmarking.

2. Gold articles meant for export and re-import as per trade policy of the Government of India

i) Clause 2(3)(h) of the Hallmarking Order exempts from mandatory hallmarking 'any article meant for export and re-import as per trade policy of the Government of India. There are several schemes under the trade policy where gold articles exported may have to be re-imported owing to various

reasons inter alia including non-acceptance by the consignee, other rejections, damages etc.

ii) In all such instances, exemption from hallmarking shall be permitted solely based on documents as prescribed in terms of para 2.06 of the Foreign Trade Policy. Hallmarking shall be carried out only when such re-imported articles are sold in the domestic market.

3. Gold articles meant for international exhibitions

i) Clause 2(3) (i) of the Hallmarking Order exempts from mandatory hallmarking “any article for international exhibitions” - for both domestic and international exhibitions

ii) However, since such an exhibition is intended primarily for foreign buyers, the gold articles exhibited and sold to foreign buyers at or pursuant to such exhibition would be exempted from hallmarking.

4. Gold articles meant for domestic business to business exhibitions approved by the Government

i) Clause 2(3)(i) of the Hallmarking Order exempts from mandatory hallmarking any articles meant for domestic business to business exhibitions approved by the Government. The exemption would be applicable where the same is intimated to Central/ State Government /any statutory body like Directorate of Industries, etc., under a State Govt. Further, the said exemption from hallmarking shall be available only where no sales are to be affected from the said exhibition and the gold articles are only meant for ‘display’ at such an exhibition.

ii) The exhibition organizer may also provide a prior intimation to the concerned Branch Office of BIS.

5. Definitions of Kundan, Jadau and Polki Jewellery

i) Clause 2(3) (k) of the Hallmarking Order exempts from mandatory hallmarking special categories of jewellery, namely Kundan, Polki and Jadaau. The following definitions may be applied while arriving at a conclusion whether a jewellery article is ‘kundan’, jadau, or ‘polki’ Jewellery:

- Kundan: shall mean jewellery which is a filling of fine gold (minimum 995 fineness), layers of very thin foil or leaf, similar to a thickness of “silver varak”

- Jadaau: shall mean jewellery which is a way of mounting or cladding stones onto a piece of gold or silver jewellery.

- Polki: shall mean jewellery which may or may not be a stone, or a diamond, or a semi-precious stone, a piece of glass, or any other stone, cut and

polished in abstract shapes, disproportional facets and forms, unequal sizes, or ground and polished in shape called cabochons, which are convex shaped, curved stones. However, full cut diamond jewellery will not be covered under polka and therefore is not covered under exemption.

About The Gem and Jewellery Export Promotion Council (GJEPC):

The Gem & Jewellery Export Promotion Council (GJEPC), set up by the Ministry of Commerce, Government of India (GoI) in 1966, is one of several Export Promotion Councils (EPCs) launched by the Indian Government, to boost the country's export thrust, when India's post-Independence economy began making forays in the international markets. Since 1998, the GJEPC has been granted autonomous status. The GJEPC is the apex body of gems & jewellery industry and today represents 7000 exporters in the sector. With headquarters in Mumbai, GJEPC has Regional Offices in New Delhi, Kolkata, Chennai, Surat and Jaipur, all of which are major centres for the industry. It thus has a wide reach and is able to have a closer interaction with members to serve them in a direct and more meaningful manner. Over the past decades, GJEPC has emerged as one of the most active EPCs, and has continuously strived to both expand its reach and depth in its promotional activities as well as widen and increase services to its members.

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