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Analysing developments impacting business

NEW RULE ON HALLMARKING AND SALE OF GOLD ITEMS | EXTENSION OF TIMELINE

5 April 2023

The Ministry of Consumer Affairs, Food & Public Distribution had issued a press release on 4 March 2023 (Press Release) prohibiting the sale of hallmarked gold jewellery or gold artefacts without the 6 (six) digit alphanumeric Hallmark Unique Identification (HUID) number after 31 March 2023. The HUID is an unique identification code which offers distinct identity to each gold item/article.

The Bureau of Indian Standards (BIS) has launched the BIS Care App. Using the HUID number, a consumer can check basic details, such as, name of the jeweller who got the article hallmarked, registration number, purity of the article, type of article as well as details of hallmarking centre which tested and hallmarked the article. If there is a mismatch between the information provided on the app and the information provided by the jeweller/retailer, a consumer can file a complaint. This move was initiated with a view to safeguard and protect the interests of consumers, to bring about transparency, credibility and enhance consumer confidence, while purchasing gold items.

Post the issue of this Press Release, gold jewellery and artefacts need to comply with the 3-mark hallmarking system, that is, it should contain the BIS logo, purity and the HUID number. Prior to this, a 4-mark system was being followed. Under this 4-mark system, instead of the HUID, logo of the jeweller and logo of the Assaying and Hallmarking Centre was mentioned.

In view of the pending 4-mark gold stock still lying, the Ministry has on 3 April 2023 vide a gazette notification, issued the Hallmarking of Gold Jewellery and Gold Artefacts (Second Amendment) Order, 2023 and further extended the timeline to clear the old stock (without HUID) latest by 30 June 2023. This timeline has been extended only for those jewellers/retailers who have declared their old stock and made a specific declaration in this regard under section 18 (4) of the Bureau of Indian Standards Act, 2016. All other jewellers/retailers will need to comply with the 3-mark hall marking system with effect from 1 April 2023.

In case of failure to comply with the above requirements, a consumer will be entitled to claim compensation to the extent of two times the selling price of the non-conforming goods and testing charges as provided under rule 49 of the BIS Rules, 2018.

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