

**Bureau of Indian Standards**  
**(Hallmarking Department)**

**Our Ref: HMD/G-1**

**04 January 2022**

**Guidelines on exemptions given in Hallmarking of Gold Jewellery and Gold Artefacts (Second Amendment) Order, 2021 dated 23.06.2021**

**1. Exports related transactions**

i) Clause 2(3)(a) of the Hallmarking Order 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 specification (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 and also that large amount of export is made out of ready stock.

ii) 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, including registration etc. 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 as per format prescribed at **Annexure A** shall be submitted by the selling jeweller from the exporter, at the time of selling un-hallmarked gold articles to him.

iii) In case where the exporter effects domestic sales also 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 sale in the domestic stream.

iv) The sale of gold articles on a B2B basis to an exporter would be exempted provided the articles are ultimately intended for export. Provided that where 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 (having an active IEC) in respect of such sales, to the following effect – *“In respect of the purchase(s) made from [Selling Jeweller], we [Exporter] do hereby declare and state as follows-*

a) *We have obtained and presently maintain an active IEC issued by the Directorate General of Foreign Trade, being IEC no- <>;*

b) *The above articles being purchased by us from [Selling Jeweller] are expected to or may be exported by us, partly or wholly, in the course of our business;*

c) *Where the said articles are sold in the domestic stream, the same shall be duly hallmarked by us prior to undertaking such domestic sale.*

*(A standalone format of the declaration is enclosed as Annexure B)*

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**

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 consignee, other rejections, damages etc. 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. Further, such re-imported gold articles would thereafter be subject to the routine hallmarking provisions and in case the same are thereafter exported or are meant for export or sold to another exporter, export related exemption under Clause 2(3) (a) of the Hallmarking Order would be available.

## **3. Gold articles meant for international exhibitions**

Clause 2(3)(i) of the Hallmarking Order exempts from mandatory hallmarking “any article meant for international exhibitions”. In addition to exhibitions held outside the Country, this exemption is also applicable to exhibition held within the Country targeted at foreign buyers. 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. In this regard, the selling jeweller may obtain passport and/or visa details of the foreign buyer (where he is an individual or representative of a non-resident entity [in which case appropriate authority letter should also be kept on record]) or any other document that establishes the residency of the foreign buyer, including that of a non-resident entity.

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

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 as per the description of an exhibition, being in the nature of an ‘event’ specified at item (1) to schedule II to Customs Notification 8/2016-Cus dated 5th February 2016 and approved by 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 effected from the said approved exhibition and the gold articles are only meant for 'display' at such an exhibition.

The exhibition organizer may also provide a prior intimation to the concerned Branch Office.

## **5. Definitions of 'kundan', 'jadau', and 'polki' Jewellery**

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.

**Annexure A- Format of undertaking to be provided by an IEC holder , having only export transactions**

*“In respect of the purchase(s) of the items described hereunder, made from [Selling Jeweller], from its certified sales outlet located at \_\_\_\_\_, having BIS registration number \_\_\_\_\_, we [Exporter] do hereby declare and state as follows –*

- i. We have obtained and presently maintain an active IEC issued by the Directorate General of Foreign Trade, being IEC no- <>*
- ii. We only undertake exports of gold jewellery, artefacts and similar articles and do not transact in the domestic stream with regard to the said items;*
- iii. The above articles being purchased by us from [Selling Jeweller] are expected to be wholly exported by us, in the course of our business;*

**Items description:**

<b>Particulars</b>	<b>Details</b>
Item description	
Quantity	
Weight	
Invoice details	

***Annexure B- Format of undertaking to be provided by an IEC holder, preferably having export transactions in the past one year***

*“In respect of the purchase(s) of the items described hereunder, made from [Selling Jeweller], from its certified sales outlet located at\_\_\_\_\_, having BIS registration number\_\_\_\_\_, we [Exporter] do hereby declare and state as follows –*

- i) We have obtained and presently maintain an active IEC issued by the Directorate General of Foreign Trade, being IEC no- <> ;*
- ii) The above articles being purchased by us from [Selling Jeweller] are expected to or may be exported by us, partly or wholly, in the course of our business;*
- iii) Where the said articles are sold in the domestic stream, the same shall be duly hallmarked by us prior to undertaking such domestic sale.*

***Items description:***

<b>Particulars</b>	<b>Details</b>
Item description	
Quantity	
Weight	
Invoice details	