

REPUBLIC OF LITHUANIA

LAW

ON STATE SUPERVISION OF PRECIOUS METALS AND GEMS

Vilnius

3 July 1995, No.I-996

I. GENERAL PROVISIONS

Article 1

This Law shall regulate the procedure for assaying precious metals and gems, as well as the articles thereof, establish the legal basis of the activities of institutions which exercise the state supervision of precious metals and gems, as well as the articles thereof, and obligatory requirements for economic entities which engage in commercial-economic activities relating to precious metals and gems.

Article 2

The purpose of this Law - to safeguard the rights of the users of precious metals and gems, to protect their and state interests when manufacturing, processing, purchasing, selling, using, safe keeping and transporting, as well as exporting and importing precious metals and gems.

Article 3

The following definitions shall be used in the Law:

precious metals - gold, silver, metals of the platinum group (ruthenium, rhodium, palladium, osmium and iridium) in various forms: alloys, raw material, semi- finished products, manufactured products, their scrap and waste, as well as compounds;

gems - natural treated and non-treated precious stones: diamonds, emeralds, rubies, sapphires and other jewellery and gemstones (according to the classification established by the International Confederation of Jewellery, Silverware, Diamonds and Pearls CIBJO), as well as gems of organic origin - amber and pearls. Diamond chips and waste shall be considered gems as well;

processing of precious metals - obtaining of precious metals from compounds, concentrates and semi-finished products, scrap, and waste;

utilisation of precious stones and gems - treatment, use of these metals and gems for industrial, scientific, social, and cultural needs;

assaying - establishing the quality and quantity of precious metals, their alloys, as well as identity and characteristics of gems;

fineness - the standard set by the International Organisation for Standardisation (ISO) or the State, which shows the value of the alloy from which an article is made and the amount of the ratio of precious metal parts per 1000 parts of the alloy weight. The mark indicating this ratio is stamped on the article;

State supervision of precious metals and gems - the system of organisational-technical and legal means which ensure the state supervision of manufacture, processing, purchase and sale, use, safe keeping and transportation of precious metals and gems, as well as export and import of precious metals and gems;

Lithuanian state control mark - an established mark of one design which confirms the standard of fineness;

marking - a technological assay operation, in the process whereof the Lithuanian state control mark and standard mark are punched on articles of precious metals;

economic entities - legal and natural persons who engage in various commercial-economic activities related to precious metals, gems and articles thereof, regardless of the form of ownership and the type of an enterprise;

maker's mark - a special symbol or abbreviation which confirms the manufacturer of articles of precious metals;

code of the year of manufacture - the code of the year established by the state supervision institution of precious metals and gems, which indicates when an article has been manufactured;

articles of precious metals and gems - jewellery set with gems or without them, decorative or household articles, as well as articles made of the alloys of gold, silver, and platinum groups;

remedy - admissible deviation in the standard of fineness; and

certificate of quality - a document confirming identity and characteristics of gems.

Article 4

1. All articles of precious stones and gems intended for sale in the Republic of Lithuania or export, as well as imported into the Republic of Lithuania, must conform to the standard of fineness established by this Law. The Lithuanian state control mark, standard mark, maker's mark and the code of the year of manufacture must be punched on articles of precious metals and gems or these articles must have the certificate of quality.

2. Provided that there is an international agreement or treaty of the Republic of Lithuania concerning mutual acceptance of marking and the certificate of quality exists, articles of precious metals and gems may be exported or imported into the contracting parties without the additional control marking or certificate of quality.

Article 5

The state supervision of precious metals and gems, and articles thereof in the Republic of Lithuania shall be carried out by the Lithuanian Assay Office in the manner prescribed by this Law.

Article 6

1. Economic entities may engage in commercial-economic activities in the Republic of Lithuania in accordance with the permit (licence) issued by the Government of the Republic of Lithuania or, on the instructions thereof, by another institution.

2. The economic entities which manufacture articles of precious metals and gems must possess the maker's mark which is registered at the Lithuanian Assay Office.

II. STANDARDS OF FINENESS AND ASSAY

Article 7

1. The following standards of fineness of articles made of precious metals shall be set in the Republic of Lithuania:

- 1) for platinum - 950°;
- 2) for gold - 375°, 500°, 583°, 585° and 750°;
- 3) for silver - 800°, 830°, 875°, 916° and 925°; and
- 4) for palladium - 500° and 850°.

2. 500° and 583° standards of fineness for gold, and 875° and 916° standards of fineness for silver shall be allowed only for repair of jewellery and other household article manufactured before 1 January 1994.

3. The following standards of fineness shall be set for new articles and articles made of precious metals which are intended for export, as well as for those which are imported:

- 1) for platinum - 950°;
- 2) for gold - 375°, 585°, 750°;
- 3) for silver - 800°, 830°, 925°; and
- 4) for palladium - 500°, 850°.

The International Organisation for Standardisation shall indicate the remedy of these standards.

4. The standards of fineness for articles of filmy gold and silver shall be set from 910° to 1000° every 10 units, i.e. 910°, 920°, 930°, 940°, 950°, 960°, 970°, 980°, 990°, and 1000°.

5. The standard of fineness for articles of green filmy gold shall be 750°.

6. The following standards of fineness shall be set for articles of dental technical production:

- 1) for golden disks - 916°; and
- 2) for clasps, solder and other elements - 750°.

Article 8

The Lithuanian Assay Office shall make an assay and mark articles made of precious metals and gems, and shall issue the certificate of quality, provided that these articles are submitted by:

- 1) economic entities;
- 2) state institutions which sell confiscated articles of precious metals and gems, as well as scrap and waste of precious metals and diamonds;
- 3) museums and religious confessions; and
- 4) natural persons (personal items).

Article 9

Articles made of precious metals and gems conform to the standard of fineness provided that the amount of the ratio of pure gold, silver or palladium therein is not less than indicated in the standard mark. If this amount is less, the article shall be considered being of the next lower fineness on the established range and shall be stamped with the appropriate standard mark.

Article 10

The Lithuanian Assay Office shall establish the methods of assay, the procedure for selection of samples and the number thereof, and this shall have to guarantee reliability of the assay results. The fees for the services related to assaying and marking, as well as issuing of the certificate of quality may not exceed 5-10 per cent of the retail price of an article. The fees for these and other services shall be established by the founder of the Lithuanian Assay Office.

Article 11

The articles of precious metals and gems, submitted to the Lithuanian Assay Office, which do not conform to the declared standards of fineness, as well as the gems which do not conform to the declared certificate of quality shall be struck with an appropriate lower fineness or an appropriate certificate of quality shall be issued, provided that the submitter consents to it. In this case the submitter shall pay the double fee. The Lithuanian Assay Office shall inform the economic entity or natural person who has submitted the articles about the non-conformity of the declared standard of fineness or certificate of quality; the said economic entity or natural person shall be entitled to demand within 10 days that, at their cost, assaying would be repeated. If the economic entity does not consent to stamping the article with the lower standard mark than has been declared or to receiving an appropriate certificate of quality, or if the results of the repeat assay are negative, articles of

precious metals and gems shall be returned deformed (broken). Personal items shall be returned to natural persons without marking and a certificate of quality.

Article 12

1. When assaying precious metals or the articles thereof, the Lithuanian Assay Office may melt the necessary amount of the articles or a part of the article.

2. The Lithuanian Assay Office shall not compensate for the damage caused by deforming (breaking) the articles which are of the lower standard of fineness than declared or which do not conform to the certificate of quality.

Article 13

1. The design of the Lithuanian state control mark shall be approved by the Government of the Republic of Lithuania.

2. The Lithuanian Assay Office shall keep the secret of the protection levels of the Lithuanian state control mark and standard marks.

3. The Lithuanian Assay Office shall have the exclusive right to:

- 1) order to produce the Lithuanian state control mark and standard marks;
- 2) stamp the Lithuanian state control mark and standard hallmark; and
- 3) issue a certificate of quality.

Article 14

The Lithuanian state control mark and other marks shall be struck on the articles of precious metals and gems so that their commercial, use or artistic value would not diminish. In the case there is no sufficient place or if it is impossible, the mark describing an article shall be stamped on the seal attached to the article.

Article 15

1. The Lithuanian state control mark and standard marks shall be stamped mechanically, and maker's mark as well as the code of the year of manufacture - by casting or mechanically. Arabic numbers shall be used in marking.

2. The manufacturer shall stamp the maker's mark and the code of the year of manufacture which shall be established by the Lithuanian Assay Office.

3. Certificates of quality of the set form shall be issued for gems upon the establishment of their identity and characteristics.

4. The articles which are made of non-precious metals and only plated with them shall not be marked.

Article 16

1. The following articles of precious metals and gems may not be stamped with the Lithuanian state control mark:

1) the articles of historical, archaeological and artistic value if when marked they would lose that value;

2) orders, medals and coins;

3) small incisions, cuts, inlays of precious metals (if decorated on boxes, vases and other articles); and

4) parts of devices, laboratory vessels and other articles intended for use in science, industry, medicine, and for other purposes, discs used in dental prosthetics, which are supplied to medical institutions directly from the manufacturing plants, surgical and other instruments, filmy gold and silver, casts, strips, sheets, wire and other semi-finished products. In this case such articles must have a trademark or an appropriate label and certificate, and their standard of fineness must conform to the requirements for standards of these productions.

2. On the recommendation of the Lithuanian Assay Office, the Ministry of Finance of the Republic of Lithuania shall have the right to change the standards of fineness set forth in Article 7.

III. IMPORT, EXPORT, SALE AND PROCESSING OF THE ARTICLES OF PRECIOUS METALS AND GEMS

Article 17

1. Articles of precious metals and gems which are imported into the Republic of Lithuania must be stamped with the Lithuanian state control mark. Identity and

characteristics of gems must be tested and certificates of quality must be issued. The importing economic entities shall submit these articles to the Lithuanian Assay Office for obtaining of certificates, as well as for making an assay and marking.

2. The following articles of precious metals and gems may be sold without the marking by the Lithuanian Assay Office or the certificate of quality:

1) if the importing country is a party to an international agreement or treaty with the Republic of Lithuania, pertaining to the mutual acceptance of the marking and certificate of quality; and

2) coins, orders, badges of honour, prizes, engraved personal presents, articles of precious metals and gems, carried in transit.

Article 18

1. All the imported or exported articles of precious metals and gems must conform to the requirements of this Law.

2. The Lithuanian Assay Office may permit manufacturing of articles from the precious metals submitted by foreign economic entities, the standards of fineness whereof do not correspond to the standards of fineness set in Article 7 of this Law. In these cases the articles which do not conform to the standards of fineness must be returned to the foreign countries according to the procedure established by the Government of the Republic of Lithuania. The Lithuanian Assay Office shall oversee compliance with this procedure.

Article 19

The economic entities of the Republic of Lithuania shall be prohibited from selling the articles made of precious metals and gems, the standards of fineness whereof do not conform to the standards of fineness set in Article 7 of this Law, or without the certificate of quality.

Article 20

Economic entities must:

1) keep the accurate records of precious metals and gems, as well as of articles made of precious metals and gems, indicating the fineness, weight and quantity;

2) present in the prescribed manner statistical reports concerning acquisition, use and remains of precious metals and gems, as well as the articles made of precious metals and gems; and

3) comply with the rules concerning sale, buying up, processing, use, storing, keeping accounts, safe keeping and transporting of precious metals and gems, as well as the articles of precious metals and gems; the rules shall be prepared by the Lithuanian Assay Office and approved by the Ministry of Finance of the Republic of Lithuania.

IV. STATE SUPERVISION INSTITUTIONS OF PRECIOUS METALS AND GEMS

Article 21

In the Republic of Lithuania the state supervision institution of precious metals and gems shall be the Lithuanian Assay Office instituted by the Ministry of Finance of the Republic of Lithuania.

Article 22

1. The Lithuanian Assay Office shall be a non-profit organisation, having the rights of a legal person and the seal with the National Emblem of the Republic of Lithuania.

2. The regulations of the Lithuanian Assay Office shall be approved by the founder - the Ministry of Finance of the Republic of Lithuania.

3. The Lithuanian Assay Office shall be exempt from paying of the interest on the state-owned capital.

Article 23

The Lithuanian Assay Office shall:

1) control that economic entities act in compliance with the requirements of this Law, state standards and other regulatory enactments;

2) establish whether precious metals and gems, articles of precious metals and gems submitted by economic entities and legal persons correspond to the declared standards of fineness, identity and characteristics of gems;

- 3) within its competence issue instructions and other regulatory enactments which are obligatory on economic entities, organise and oversee compliance with them;
- 4) control that, while working with precious metals and gems, articles of precious metals and gems, economic entities act in compliance with the requirements of state standards, rules of metrology and other regulatory enactments;
- 5) make a control analysis, assay of precious metals and gems, articles of precious metals and gems which are manufactured in Lithuania or imported, establish identity and characteristics of gems;
- 6) conduct an examination of impressions of the Lithuanian state control mark and standard marks, as well as of the certificate of quality;
- 7) submit proposals to the Ministry of Finance of the Republic of Lithuania concerning issuing of licences to economic entities, keep records of such economic entities, register maker's marks;
- 8) prepare proposals to the Ministry of Finance of the Republic of Lithuania concerning improvement of record keeping and safe keeping of precious metals and gems, as well as articles thereof; and
- 9) solve other issues which fall within its competence.

Article 24

1. The head of the Lithuanian Assay Office shall simultaneously be the chief inspector of the Republic of Lithuania of state supervision of precious metals and gems. He shall be appointed to the post and relieved of his post by the Minister of Finance. The deputy head of the Lithuanian Assay Office shall simultaneously be the deputy chief inspector of the Republic of Lithuania of state supervision of precious metals and gems. He shall be appointed to the post and relieved of his post by the head of the Lithuanian Assay Office, upon having co-ordinated it with the Ministry of Finance.

2. Specialists shall be state supervising officers of precious metals and gems.

Article 25

State supervising officers of precious metals and gems shall within their competence have the right:

1) upon presentation of the certificate of employment, to freely enter all enterprises and organisations of economic entities, as well as to exercise control over them;

2) to get familiarised with the records kept by an economic entity, technical and other documents, as well as applied standards and other enactments regulating these activities;

3) select and take samples of the production, individual articles for examination, testing or analysis;

4) according to the procedure established by laws, to confiscate precious metals and gems, articles of precious metals and gems on sale, the standard of fineness or a certificate of quality whereof do not conform to the declared ones, articles of precious metals and gems without standard marks or the certificate of quality, with forged (false) standard marks or certificates of quality, as well as those which are not returned to foreign countries in the cases provided for in paragraph 2 of Article 18 of this Law;

5) to suspend manufacturing, processing, buying up, selling, rendering of services, trade of precious metals and gems, as well as articles thereof or other activities relating to it if the requirements established by this Law and other regulatory enactments, as well as rules of metrology have been violated;

6) to forbid the use of measuring instruments for work with precious metals and gems, articles of precious metals and gems if they have not been attested or the verification time thereof has expired;

7) to prohibit manufacturing, selling of articles made of precious metals and gems, rendering of services and other activities relating to it if economic entities do not have licences to engage in these activities or constantly violate the requirements of this Law, state standards or other regulatory enactments;

8) to check the record keeping and protection of precious metals and gems, as well as articles of precious metals and gems, and to oversee compliance with this Law and other regulatory enactments;

9) to give obligatory instructions for economic entities;

10) to submit proposals to the Ministry of Finance of the Republic of Lithuania to revoke the licence of an economic entity if the economic entity constantly violates the requirements of this Law, state standard or other regulatory enactments. Upon revocation of the licence, it may be issued again after a lapse of at least one year from revocation of the previous licence; and

11) in the manner prescribed by the law, to impose administrative sanctions on officers and persons for the violations of this Law.

V. FINAL PROVISIONS

Article 26

Complaints of economic entities and legal persons about the actions of state supervising officers of precious metals and gems shall, within 30 days, be considered by the head of the Lithuanian Assay Office or, in his absence, by the deputy head. The decisions of the latter may be appealed against to the Ministry of Finance of the Republic of Lithuania. If the claimant does not agree with the decision, he shall have the right to appeal to court within 10 days after receiving the decision.

Article 27

State supervising officers of precious metals and gems must keep author's and commercial secrets of the economic entities and legal persons who use their own technologies and materials.

Article 28

State supervising officers of precious metals and gems, as well as other persons and officers who have violated the requirements of this Law shall be liable under the law of the Republic of Lithuania.

I promulgate this Law passed by the Seimas of the Republic of Lithuania.

PRESIDENT OF THE REPUBLIC

ALGIRDAS BRAZAUSKAS