

LAW
ON ARTICLES OF PRECIOUS METALS
IN THE FEDERATION OF BOSNIA AND HERZEGOVINA

1. GENERAL PROVISIONS

Article 1

This Law prescribes technical requirements that have to be fulfilled by articles of precious metals (hereinafter: the articles), their marking, assaying, certification of their conformity with regulations, trade and control of such articles in the territory of the Federation of Bosnia and Herzegovina (hereinafter: the Federation of BiH).

Article 2

Subjects in the system of control of articles include the Bureau of Metrology within the Federal Ministry of Energy, Mining and Industry (hereinafter: the Bureau), manufacturers, importers, exporters, craftsmen, laboratories, dealers, responsible market inspection and the Institute of Metrology of Bosnia and Herzegovina (hereinafter: the Institute), within their respective competences as prescribed under Article 40 of the Law on Metrology of Bosnia and Herzegovina ("Official Gazette of BiH", No. 19/01).

The direct control of articles of precious metals shall be carried out by the Bureau and it shall perform the following tasks from this field:

1. prepare regulations falling under its competence;
2. participate in the achievement, preservation, maintenance and use of reference materials and working standards;
3. carry out assaying and hallmarking;
4. perform supervision over the application of provisions of this Law;
5. grant supplier's mark and keep a register of marks for the Federation of BiH;
6. issue certificates for the import of raw materials, alloys and articles and shall keep a register of certificates for the Federation of BiH;
7. perform professional and organizational tasks;
8. monitor situation and undertake appropriate measures;
9. provide information;
10. cooperate with the Metrology Council of Bosnia and Herzegovina and the Institute;
11. perform publishing-publication tasks.

Article 3

Terms and definitions used in this Law shall have the following meaning:

1. precious metals are platinum, gold, palladium and silver;
2. a precious metal alloy is a homogenous solid solution containing a precious metal and one or more other metals;
3. precious metal articles include jewellery, goldsmith's or silversmith's or watchmaker's ware or any other article made entirely or in part from the same or different precious metals;
4. a mixed article is an article composed of precious metal parts and base metal parts or non-metallic parts;
5. small articles of precious metals are articles made of gold or platinum of the weight of up to 1g or articles made of silver or palladium of the weight of up to 3g;
6. a precious metal coating is a layer applied to the entire, or part of an article by chemical, electrochemical, mechanical or physical process;
7. the standard degree of fineness is the minimum content of pure precious metal expressed in parts per thousand (X/1000) in relation to the total weight of the alloy;
8. the fineness mark is a mark indicating the degree of fineness of an article and its content, form and dimensions are prescribed;
9. suppliers of articles of precious metals are all legal or natural persons registered with the competent body for performing the activity of production or import and representation of foreign manufacturers of articles;
10. supplier's mark is a mark approved by the Bureau with the prescribed content, form and dimensions that is used by the supplier to mark articles;
11. marking of precious metal articles is impressing of the approved supplier's mark and the corresponding fineness mark;
12. hallmarking of precious metal articles is stamping with a Federation hallmark (hereinafter: the hallmark), which certifies the conformity of the assayed article with provisions of this Law in respect of the content, degree of fineness, marking and craftsmanship;
13. base metals are all metals except platinum, gold, palladium and silver.

Article 4

The following shall not be subject to provisions of this Law:

1. instruments, devices and their parts of precious metals used in science, health

care and laboratory tests;

2. articles that are fully coated with enamel, precious stones, pearls or other non-metallic coatings;
3. base metal articles coated with precious metal;
4. semi-finished products of precious metals and alloys thereof that are used in the industry and for dental-prosthetic purposes;
5. older articles that have scientific, historical, cultural and artistic value;
6. chains on a precious stone, pearl or another article where the weight of the precious metal is insignificant compared to the total weight of the article;
7. ingots, granules and plates of precious metals that are used in banking operations;
8. silver-based, platinum-based or palladium-based alloys for soldering;
9. articles owned by individuals.

Article 5

Provisions of this Law shall not apply to:

1. assaying and hallmarking of small articles,
2. stamping with supplier's mark and hallmarking of raw materials and precious metal alloys.

1. TECHNICAL REQUIREMENTS

Article

6

Articles shall have one of the below-listed standard degrees of fineness:

1. Articles of gold:

- 999 parts per thousand (999/1000),
- 950 parts per thousand (950/1000),
- 916 parts per thousand (916/1000),
- 840 parts per thousand (840/1000),
- 750 parts per thousand (750/1000),
- 585 parts per thousand (585/1000),
- 500 parts per thousand (500/1000);

2. Articles of platinum:

- 999 parts per thousand (999/1000),

950 parts per thousand (950/1000);

3. Articles of silver:

999 parts per thousand (999/1000),

950 parts per thousand (950/1000),

925 parts per thousand (925/1000),

800 parts per thousand (800/1000);

4. Articles of palladium:

999 parts per thousand (999/1000),

950 parts per thousand (950/1000),

500 parts per thousand (500/1000).

Article 7

Articles of gold with the degree of fineness lower than 500 parts per thousand (500/1000), articles of platinum with the degree of fineness lower than 950 parts per thousand (950/1000), articles of silver with the degree of fineness lower than 800 parts per thousand (800/1000) and articles of palladium with the degree of fineness lower than 500 parts per thousand (500/1000) shall not be articles of precious metals in the sense of this Law.

Article 8

Articles with the fineness higher than the fineness required for a specific degree from Article 6 of this Law but lower than the next higher degree shall be considered articles having the fineness of that specific lower degree.

Article 9

An article with a coating of a different precious metal shall be considered an article of the precious metal it is made of.

Article 10

Raw precious metals of the degree of fineness of 999 parts per thousand (999/1000) may only be placed on the market for purposes of further processing.

Article 11

The FBiH Minister of Energy, Mining and Industry (hereinafter: the Minister) prescribes the technical requirements that articles have to fulfil with regard to the content, coating and workmanship.

III. MARKING, ASSAYING, AND CERTIFICATION OF CONFORMITY OF ARTICLES

Article 12

Prior to their placing on the market the articles shall have to fulfil the prescribed technical requirements, be stamped with the supplier's mark, the mark of fineness and assayed, and their conformity with provisions of this Law certified by a hallmark.

Article 13

The import of raw materials, alloys and articles of precious metal shall be carried out on the basis of a Bureau's certificate defining the obligations of the importer. A certificate for the import of raw materials, alloys and articles of precious metal (hereinafter: the Certificate) shall be used to carry out customs import operations for the purpose of protection of health, safety and other aspects of public interest from import of goods referred to in paragraph 1 of this Article that do not fulfil the prescribed technical and other requirements.

The Bureau shall keep a register of certificates issued for the import of raw materials, alloys and articles of precious metal in the Federation of BiH.

Article 14

The supplier shall have to stamp the article with its mark approved by the decision granting the supplier's mark that is issued by the Bureau Director.

The decision referred to in paragraph 1 of this Article shall be published in the "Official Gazette of the Federation of BiH".

Article 15

The obligation of marking with a supplier's mark shall not apply to legal persons dealing with the import, i.e. representation of foreign manufacturers of articles (hereinafter: the importers) if the articles are marked with the mark of a foreign manufacturer approved by the authorized institution of a country that Bosnia and Herzegovina has concluded an agreement with recognising the said marks.

The importers referred to in paragraph 1 of this Article shall be obliged to have the foreign manufacturer's mark registered at the Bureau.

Article 16

The Bureau shall keep a Register of marks of suppliers for the Federation of BiH. The Supplier shall be obliged to notify in writing the Bureau of any significant change relating to the performance of this activity within 15 days from the day when the change occurred.

Article 17

The Supplier shall be obliged to stamp a fineness mark on the article prior to its submitting for compulsory assaying and hallmarking.

A corresponding fineness mark may be impressed on alloys and raw materials referred to in Article 10 of this Law or a document may be attached specifying the standard degree of fineness.

Article 18

Precious metal articles, alloys and raw materials may be assayed and hallmarked in the Bureau's laboratories or in the working premises of the supplier that fulfils the prescribed requirements.

After the Bureau establishes that the prescribed requirements have been met, the Bureau Director shall issue a decision approving the assaying and hallmarking of articles in supplier's working premises.

Article 19

If the Bureau establishes, during assaying or based on the assay report, that the article bears the supplier's mark, the standard degree of fineness stamped on the article and fulfils the prescribed technical and other requirements, it shall stamp it with a Federation hallmark.

If the Bureau establishes, during assaying or based on the assay report, that the articles does not bear the supplier's mark and the standard degree of fineness stamped on the article or does not fulfil the prescribed technical and other requirements, it shall not stamp a hallmark, and the Bureau Director shall issue a decision rejecting the stamping with a Federation hallmark.

The Bureau shall keep statistics of the number of hallmarked articles and articles that do not fulfil the assessment of conformity in the Federation of BiH.

Article 20

A client dissatisfied with the findings of the assay may file a request for a new assay to the Bureau Director within 15 days from the day of receipt of the decision referred to in Article 19, paragraph 2 of this Law.

The Bureau Director shall designate an authorized institution to carry out the assay referred to in paragraph 1 of this Article the findings of which shall be final.

Article 21

No other foreign bodies shall be added to the article after its hallmarking.
Transfer of an impressed hallmark on a different article shall be prohibited.
Processed articles shall have to be re-stamped with a supplier's mark and fineness mark and submitted for assaying and hallmarking.

Article 22

Articles owned by individuals shall be assayed and hallmarked only if they are placed on the market or upon request of owners of such articles.

Article 23

Costs of assaying and fees for hallmarking articles shall be borne by the applicant, except in case where the result of the repeated assay, referred to in Article 20 of this Law, is favourable for the client.

Resources referred to in paragraph 1 of this Article, with the exception of resources for necessary material costs, shall be included into the Budget of the Federation of BiH and shall be used at the rate of 25% for financing the work of the Bureau in the field of assaying and hallmarking of articles.

Article 24

A Certificate of Conformity shall be issued for raw materials, alloys and articles of precious metal that are not subject to provisions of this Law with regard to the marking and/or hallmarking.

A Certificate of Conformity shall be issued for:

1. articles that are too fragile and that the prescribed marks are difficult to impress on;
2. those parts of articles that are composed of different precious metals or are mixed articles that the prescribed marks are difficult to impress on for technical reasons;
3. semi-finished products of precious metals.

Article 25

The Minister shall prescribe the content of the certificate referred to in Article 13 of this Law and the certificate of conformity referred to in Article 24 of this Law, the content, the form and the dimensions of the supplier's mark, fineness mark and hallmark, as well as the amount and the way of payment of costs and fees relating to the issuing of an import certificate, assaying and hallmarking of articles.

Article 26

The Bureau Director shall prescribe a procedures guide for the issuing of Certificate, granting of supplier's mark, submitting of application for assaying and hallmarking as well as approving of assaying and hallmarking in the supplier's working premises.

The Bureau Director shall also prescribe instructions for assaying and hallmarking, determining the degree of fineness as well as the manner of stamping with a fineness mark, requirements that a supplier must fulfil for the grant, i.e. registration of its mark as well as the requirements that the supplier's working premises must fulfil for an approval of assaying and hallmarking in such premises.

1. PLACING ON THE MARKET

Article 27

In the Federation of BiH it is permitted to place articles of precious metal on the market, to keep them ready for placing on the market or to keep them displayed as samples solely if they are marked, assayed and hallmarked in conformity with the requirements prescribed under this Law.

Article 28

Articles intended for export from the Federation of BiH shall have to be stamped solely with a mark of fineness, unless otherwise requested by the exporter or the foreign buyer.

The costs referred to in paragraph 1 of this Article shall be borne by the exporter or the foreign buyer, i.e. the applicant.

Article 29

Articles shall have to be separated from other goods at points of sale.

Pictures of hallmarks, an overview of standard degrees of fineness from Article 6 of this Law, a decision on granting the supplier's mark and a decision on the entity's registration in the court register shall be displayed in a visible place at a point of sale.

The salesperson shall keep a magnifying glass in a visible place at a point of sale and offer it to the buyer to check, if he/she so wishes, the prescribed marks on the articles.

1. ADMINISTRATIVE SUPERVISION

Article 30

The Bureau shall supervise the implementation of this Law and legislation adopted for its implementing in the Federation of BiH.

The Bureau shall supervise the articles placed on the market or kept ready for placing on the market or displayed as samples just like the maintenance of prescribed requirements in the premises of the supplier of articles that has been issued with a decision granting the supplier's mark or the supplier that has been issued with a decision approving the assaying and hallmarking of articles in its working premises.

Article 31

In performing the supervision referred to in paragraph 2, Article 30 of this Law the Bureau's authorized official shall be entitled to enter the premises where the articles are manufactured, imported, placed on the market or kept ready for placing on the market or where they are displayed as samples.

The subject of supervision shall enable the Bureau's authorized official to perform supervision in an unhindered manner and shall provide any information needed therefor, and should the authorized official be hindered in his/her performing of supervision the internal affairs body shall be obliged to provide assistance.

The Bureau's authorized official shall compile a report and specify the state of facts

as established by the supervision.

The Bureau Director shall prescribe instructions concerning the performance of supervision referred to in paragraph 2, Article 30 of this Law.

Article 32

Should it be established during the supervision of articles that an article does not bear a valid supplier's mark, fineness mark and hallmark, i.e. that it does not fulfil the prescribed technical requirements, the Bureau Director shall issue a decision on a temporary prohibition of trade pending the elimination of shortcomings.

The article for which a decision referred to in paragraph 1 of this Article has been issued shall be immediately removed from the market, and the Bureau shall ensure its withdrawal in conformity with a special regulation.

Should it be established during the supervision over the maintenance of prescribed requirements in the premises of the article supplier that the article supplier does not fulfil the requirements prescribed under this Law and the legislation adopted for its implementing, the Bureau Director shall issue a decision repealing the decision on the supplier's mark, i.e. the decision approving the assaying and hallmarking of articles in supplier's working premises.

The supplier shall be entitled to file a complaint against the decision referred to in paragraphs 1 and 3 of this Article within 15 days from the receipt of the decision.

The Minister shall decide on the complaint and the complaint shall not stay the execution of the decision.

Article 33

The Bureau's authorized official dealing with supervision tasks referred to in paragraph 2, Article 30 of this Law shall be issued with an official identification card.

Upon proposal of the Bureau Director, the Minister shall prescribe the content and the form of the identification card referred to in paragraph 1 of this Article, the procedure of issuing of identification card and the manner of keeping records of issued official identification cards.

Article 34

In performing inspections, the bodies of competent market inspection shall, while carrying out inspection tasks specified under special regulations, control the number of prescribed marks on an article just like the implementation of provisions of Article 29 of this Law.

The Federation market inspection body shall be in charge of inspection referred to in paragraph 1 of this Article for the manufacturer and importer, and for craftsmen and dealers it shall be the cantonal, i.e. municipal market inspection bodies.

Should the market inspector establish that the article does not bear the prescribed number of marks: supplier's mark, fineness mark and hallmark, or does not possess a Certificate of Conformity, he/she shall issue a decision on a temporary prohibition of trade pending the elimination of shortcomings, and shall seal the article in conformity with a special regulation.

Should the market inspector establish that the subject of inspection has violated provisions of Article 29 of this Law, he/she shall issue a decision ordering that the established shortcomings be removed within a certain deadline.

The market inspector shall submit one copy of the decision referred to in paragraphs 3 and 4 of this Article to the Bureau. A complaint may be filed against the inspector's decision to the Minister within eight days from the receipt of the first-instance decision, and the complaint against the decision shall not stay its execution.

Should the market inspector have suspicions with regard to the validity of marks on the article, he/she may temporarily take a sample of the article for verification by the Bureau. A report shall be made for every sample taken.

1. PENAL PROVISIONS

Article 35

A fine ranging from BAM 2,000.00 up to BAM 15,000.00 shall be charged against a legal person if it:

1. transfers the impressed hallmark onto a different article (Article 21, paragraph 2),
2. places on the market articles that have not been duly marked, assayed and hallmarked (Article 12),
3. places on the market articles for which a decision on a temporary prohibition of trade has been issued (article 32, paragraph 1 and Article 34, paragraph 3),
4. fails to act in conformity with other measures ordered by persons performing supervision (Article 32, paragraph 3 and Article 34, paragraph 4).

A fine ranging from BAM 250.00 up to BAM 3,000.00 shall also be charged against the responsible person in the legal person for an offense referred to in paragraph 1 of this Article.

Article 36

A fine ranging from BAM 600.00 up to BAM 10,000.00 shall be charged against a legal person if it:

1. fails to submit for assaying and hallmarking articles that have been upgraded or processed (Article 21, paragraphs 1 and 3),
2. fails to keep the article separately from other articles at points of sale (Article 29, paragraph 1),
3. fails to display in a visible place the pictures of hallmarks and/or standard degrees of fineness and/or the decision on supplier's mark and/or the decision on the registration of entity in the court register (Article 29, paragraph 2),
4. fails to ensure and/or offer a magnifying glass for the buyer (Article 29, paragraph 3),
5. fails to allow or hinders the performance of supervision (Article 31, paragraphs 1 and 2).

A fine ranging from BAM 500.00 up to BAM 2,000.00 shall also be charged against the responsible person in the legal person for an offense referred to in paragraph 1 of this Article.

Article 37

A fine ranging from BAM 500.00 up to BAM 1,500.00 shall be charged for an offense against the natural person if he/she commits any of the acts referred to in Article 35 of this Law.

A fine ranging from BAM 300.00 up to BAM 1,000.00 shall be charged for an offense against the natural person if he/she commits any of the acts referred to in Article 36 of this Law.

Article 38

If the subject of supervision repeats the breaches referred to in Articles 35, 36 and 37 of this Law, a protection measure of a ban on performing activity shall be imposed against it of up to six months for the first recidivism event, and, in case of multiple recidivism, a protection measure of permanent ban on performing activity.

1. TRANSITIONAL AND FINAL PROVISIONS

Article 39

The implementing legislation referred to in Articles 11, 25, 26, Article 31, paragraph 4, and Article 33, paragraph 2 of this Law shall be adopted within the deadline of six months from the day of entry into force of this Law.

The applicable regulations governing the field concerned shall be applied pending the adoption of legislation referred to in paragraph 1 of this Article.

Article 40

An article marked and hallmarked prior to this Law's entry into force shall not be subject to re-assaying and re-hallmarking.

Unresolved applications for a grant of supplier's mark and unresolved applications for an approval of assaying and hallmarking of articles in supplier's working premises, submitted prior to this Law's entry into force, shall be resolved in conformity with provisions of this Law.

A decision granting the supplier's mark and a decision approving the assaying and hallmarking of articles in supplier's working premises issued prior to this Law's entry into force shall be subject to harmonization with this Law's provisions.

A supplier who has been issued with a decision referred to in paragraph 3 of this article shall be obliged to submit an application for harmonization to the Bureau within the deadline of one year from the date of this Law's entry into force.

Article 41

The Law on the Control of Precious Metals Articles ("Official Gazette of the Federation of BiH", No.76/04) shall cease to apply as of the date of this Law's entry into force.

Article 42

This Law shall enter into force on the eighth day from its publication in the "Official Gazette of the Federation of BiH".

Chairwoman of
the House of Peoples of
the Parliament of FBiH

Karolina Pavlović

Chairman of
the House of Representatives of
the Parliament of FBiH

Dr. Denis Zvizdić