

## **Government proposal to Parliament for an Act amending the Act on Articles of Precious Metals**

### **MAIN CONTENT OF THE PROPOSAL**

The proposal recommends amendments to the Act on Articles of Precious Metals.

It proposes amendments to the Act on Precious Metal Products, including to the definitions, requirements for precious metal articles, and the rights of the supervisory authority. In addition, it recommends additions pursuant to the amended Convention on the Control and Marking of Articles of Precious Metals regarding the approved standard of fineness of precious metal articles. It proposes certain requirements of the Convention to be clarified in the Act. It proposes clarifications to the Act regarding certain requirements of the Convention.

The Act is intended to enter into force on 1 January 2026.

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## **EXPLANATORY NOTES**

### **1 Background and preparatory work**

#### **1.1 Background**

The requirements for precious metals articles are laid down in the Act on Precious Metal Articles (Precious Metal Articles Act, 1029/2000) and the Decree (Precious Metal Articles Decree, 1148/2000) and the Convention on the Control and Marking of Articles of Precious Metal (Precious Metals Convention or Hallmarking Convention, Finnish Treaty Series 17/1975). Precious metal articles include jewellery, ornamental articles and watches made of precious metal.

At its meeting on 20 April 2018, the Standing Committee of the Convention adopted amendments to the annexes to the Convention, which entered into force on 1 January 2019. The amendment introduced new fineness marks: platinum Pt 990, 600 and 500; gold Au 990, 800 and 417; palladium Pd 990 and silver Ag 990, 958 and 835. It is also necessary to amend the fineness provisions of Precious Metals Act to align national provisions with the Hallmarking Convention. It will not be possible to identify precious metals when new fineness provisions are included in the Act. In view of this, it is important to amend the provisions to enable consumers and economic operators to identify the precious metal article concerned. The system of the Precious Metals Convention is optional.

In its monitoring activities, the Finnish Safety and Chemicals Agency has identified and considered it appropriate to introduce certain, primarily mainly technical amendments to the Precious Metal Articles Act concerning definitions, requirements for precious metal articles and the rights of the supervisory authority.

Amendments are also made to the Precious Metal Articles Regulation on the same grounds.

#### **1.2 Preparatory work**

The proposal has been prepared as part of the duties of the Ministry of Economic Affairs and Employment.

The working documents for the Government Proposal can be found in the public online service at <https://tem.fi/hankkeet-ja-saadostvalmistelu> under the identifier TEM042:00/2025.

The proposal was published on the consultation service of the Ministry of Justice at [lausuntopalvelu.fi](https://lausuntopalvelu.fi). The time of publication was [month] [year]. Consultations were delivered by...

### **2 Current situation and its assessment**

#### **2.1 Convention on the Control and Marking of Articles of Precious Metals (Precious Metals Convention)**

The Convention on the Control and Marking of Articles of Precious Metals, i.e. the Precious Metals Convention of 1975, is the oldest foundation for the existing regulation of precious metal articles. In addition to the preface, the Convention consists of 15 articles and two technical annexes.

Finland is one of the original Contracting States of the Convention. Other contracting states are Austria, Norway, Portugal, Sweden, Switzerland, and the United Kingdom. Subsequently, Croatia, Cyprus, the Czech Republic, Denmark, Hungary, Ireland, Israel, Latvia, Lithuania, the Netherlands, Poland, Serbia, the Slovak Republic, Slovenia, and Italy have joined the Convention. There are currently 22 States Parties.

The Convention establishes a system for the cross-border trade of precious metal articles between the states parties. An authorised inspection of a precious metal article in the country of origin is valid as such in the markets of the other Contracting States, if it has been carried out by an authorised assay office. The Precious Metals Convention created an internal market for precious metal articles at a time when Western European economic cooperation was focused into two different economic unions, the European Economic Community (EEC) and the European Free Trade Association (EFTA). The Convention was created within the framework of the EFTA.

Chapter I, Scope and Operation, describes the system established in the convention for the cross-border trade of precious metal articles between the Contracting States.

Chapter II, Control and Sanctions, obliges Contracting States to maintain a testing regime to ensure conformity of precious metal articles.

Chapter III establishes provisions on the administration of the Convention by a Standing Committee.

Chapter IV, Final Provisions, provides for accession, withdrawal, and ratification.

The Convention includes two Annexes. Annex I establishes the definitions for a precious metal article under the Convention. Annex II describes the inspection process and the requirements for the assay office.

At its meeting on 20 April 2018, the Standing Committee approved amendments to the Annexes of the Precious Metals Convention. The changes are primarily clarifications and specifications, as well as new fineness marks. The following fineness marks were approved: platinum Pt 990, Pt 600 and Pt 500; gold Au 990, Au 800 and Au 417; palladium Pd 990 and silver Ag 990, Ag 958 and Ag 835.

Amendments to the Annexes to the Convention were approved by the President of the Republic of Finland on 23 November 2018. The amendments entered into force by Government Decree on amendments to the Appendices to the Convention on the Control and Marking of Articles of Precious Metal (75/2018). The Decree entered into force on 1 January 2019.

## **2.2. National regulation**

### **2.2.1 Act on Precious Metal Articles**

The national regulation on precious metal articles was reformed in the 1990s, which resulted in the Act on Precious Metal Articles. Pursuant to the Act, more detailed provisions were laid down in the Government Decree on precious metal articles. The legislation considered some of the general principles of the Precious Metals Convention as well as the technical provisions of the Annexes of the Convention.

The general provisions of Chapter 1 of the Precious Metal Articles Act lay down scope and definitions. The Act applies to precious metals articles that are meant for private consumption to the relevant extent. Common articles made from precious metals include jewellery, silverware, and cutlery.

For the purposes of the Act, precious metals refer to pure gold, platinum, palladium, and silver, and precious metal articles refer to items made entirely or in part precious metals or their alloys.

Chapter 2 of the Act lays down provisions on the requirements, marks and responsibilities on precious metal articles, the inspection and certification of the articles, and the approval and monitoring of the assay office. Section 3 of the Act lays down the requirements on conformity of precious metal articles. It lays down the minimum standard of fineness for precious metal articles. Fineness marks and content above the standard of fineness are laid down in the Decree on Precious Metal Articles. The fineness mark indicates the declared content of precious metal. The rules on marks, the approval and registration thereof, and other permitted markings, as well as the conditions for the authorisation of an assay office, are laid down in greater detail in the Decree on Precious Metal Articles. An assay office may be used to demonstrate the conformity of a precious metal article, but assay is not mandatory.

Chapter 3 of the Act lays down provisions on monitoring. Compliance with the Act is monitored by the Finnish Safety and Chemicals Agency. The Ministry of Economic Affairs and Employment is responsible for top-level management and guidance of monitoring. The Finnish Safety and Chemicals Agency has right of access to the places of manufacture, storage, sale, repair, and assay of precious metal articles and their components and materials to enforce compliance with the Precious Metal Articles Act. For the purposes of monitoring, the Safety and Chemicals Agency shall have the right to obtain the necessary samples from a manufacturer, importer, seller and storer of precious metal articles and their parts and materials, as well as from the assay office.

Chapter 4 of the Act lays down provisions on coercive measures and penalties. Section 13 of the Act lays down a penal provision for breaches of the provisions on precious metal articles. Anyone who, intentionally or through gross negligence, fails to comply with the obligations laid down in Sections 3 or 4 of the Precious Metal Articles Act with regard to the requirements, marks or responsibilities of a precious metal product, or fails to comply with a prohibition, requirement, or obligation imposed by the Finnish Safety and Chemicals Agency pursuant to section 11 of the Act, shall be liable to a fine for infringing the provisions on precious metal articles, unless a more severe penalty is provided for elsewhere in the Act.

Chapter 5 of the Act lays down provisions for the disclosure of confidential information, the appeal against a decision of the assay office, the Ministry, or the supervisory authority, and mutual recognition.

An administrative review of a decision of the assay office may be lodged in the manner laid down in the Administrative Procedure Act. An appeal against a reviewed decision may be lodged in the manner laid down in the Administrative Judicial Procedure Act. Regardless of appeal, the decision shall be complied with unless the appeal authority orders otherwise. The appeals process against decisions made by the Ministry and supervisory authority is provided for in the Administrative Judicial Procedure Act. Appeals against the imposition and enforcement of periodic penalty payments, and against a decision on the imposition and

enforcement of a material threat of punishment are provided for in the Act on Conditional Fines.

Mutual recognition is provided for in section 17 of the Precious Metal Articles Act. Precious metal articles marked in another country of the European Economic Area shall be accepted in Finland if the marks provide consumers with similar information as the marks referred to in section 4 of the Precious Metal Articles Act. According to section 18 of the Act, more detailed provisions on the implementation of the Act shall be laid down in the Government Decree.

Precious metal articles are not harmonised in EU product regulation and are not subject to the Act on Notified Bodies Concerning Certain Product Groups (278/2016) or the Act on Verifying the Validity of Conformity Assessment Services (920/2005).

## 2.2.2 Government Decree on Articles of Precious Metals

The Decree on Precious Metal Articles provides for restrictions on the scope of the Precious Metal Articles Act and Decree and for the combination of precious metals, base metals, and other compounds. The Decree lays down provisions for the use of marks on precious metal articles, such as the hallmark of the assay office, the sponsor's mark, the fineness mark, the year stamp and the location stamp. There are also provisions on the standard of fineness, the marking of articles and the requirements of the assay office.

The amendments required by the Precious Metals Convention as well as technical amendments shall be made to the Precious Metal Articles Decree in connection with the amendment of the Precious Metal Articles Act.

## 2.2.3 Application of the Consumer Protection Act to the precious metal sector

The Consumer Protection Act (38/1978) is a general law that regulates consumer protection.

The arguments of the Government Proposal for the Precious Metal Articles Act (130/2000) mention consumer protection, but they remain unmentioned in the text of the Act itself. The general arguments state that the aim of the regulation is to safeguard the interests of the consumer since it is impossible for the consumer to distinguish between products with distinct levels of fineness. In the description of the current state in the Government proposal, it is stated that assays are primarily aimed at safeguarding the interests of consumers when purchasing precious metal articles that are expensive and of permanent value and have a long useful life.

Of the provisions of the Consumer Protection Act, the general error provision in Chapter 5, Section 12 of the Act is applicable to the current assays format of precious metal articles. Subsection 2(5) applies to articles of precious metal the concentration of which does not comply with the Precious Metal Articles Act.

## 2.2.4 Mutual recognition of products in the EU

The Mutual Recognition Regulation (EU 2019/515) primarily guides the procedures of authorities when they mean to apply the principle of mutual recognition. Public authorities shall consider the obligations of the Regulation in their own activities, such as in assessing goods.

The principle of mutual recognition applies when national requirements for products have been laid down in legislation or a decree and these requirements have not been harmonised in the EU.

The EU Commission's Expert Group on Mutual Recognition of Goods has taken a stand on the status of precious metals articles in the Mutual Recognition Regulation. Both the EU's internal market regulations and the Precious Metals Convention aim to create an effective internal market, but practical problems have been identified in the coordination of their objectives. The Commission has identified obstacles to the free movement of precious metal articles, issues with mutual recognition, and differences in marking practices across EU Member States. The examination and discussion of the matter will continue in the EU Commission in collaboration with representatives of the Precious Metals Convention.

### **2.3 Assessment of the current situation**

At present, the national legislation does not fully comply with the provisions of the Precious Metals Convention. Provisions for the definition of the Common Control Mark and the authorisation of and control by the assay office that issues CCMs are missing, and the standard of fineness and markings in precious metals are not fully in line with the Convention.

Manufacturing of precious metal articles involves alloying precious metal with base metals. Base metals may also be used as part of a precious metal article if the parts are separately marked, e.g. with the METAL mark. The definition of base metals is missing from the Act. The definition of base metals is also necessary because the Precious Metal Articles Decree provides for the use of mixed materials.

The Precious Metals Convention defines a fineness series for precious metals that can be used as the basis to lay down provisions for the hallmarking of a mixed precious metal article. National legislation must include a definition of the fineness series for precious metal.

The definition of 'precious metal article' in the Act is unclear, which in turn gives rise to confusion as to the claims that different articles on the market may have. At present, the definition of a precious metal article is so broad as to cover any article that contains a small amount of precious metal. However, it shall not be allowed to sell an article with precious metal content that is insufficient to be marked as a precious metal article. It is important that consumers can distinguish a precious metal article from an article with a lower fineness, which, according to regulations, cannot be sold as a precious metal article.

Section 8 of the Precious Metal Articles Act, which regulates the rights of the supervisory authority, does not mention the right of the supervisory authority to carry out the necessary inspections at the places of manufacture, storage, sale, repair, and assay of articles of precious metal and their parts and materials. The provision only refers to access to such places, which may introduce ambiguity. It is necessary to clarify the provision regarding carrying out inspections.

Under the current provisions, the supervisory authority may oblige the responsible party to reimburse the costs incurred from the inspection and investigation of a non-compliant product only if the supervisory authority makes a decision on the matter. The costs of purchasing, testing, and examination of a product would become directly enforceable if the product is non-compliant and the non-compliance is significant.

There are provisions on the acceptance, registration, notification of changes to the sponsor's mark and confirmation of registration in the Precious Metal Article Decree. It is appropriate to transpose the provisions into the Precious Metal Articles Act. It is also necessary to clarify and update the provisions.

In the process of validating the registration of sponsor's marks, the supervisory authority seeks to ensure that the marks registered by companies are not terminated unnecessarily. It will not be possible to restore old-style patterned sponsor's marks to the register if the registration is discontinued. The provisions on the validation process and restoration to the register should be clarified at the same time as they are included in the Precious Metal Articles Act.

The metal used in a precious metal article is difficult to identify with the naked eye. All precious metals defined in the Act may be light grey in colour, including gold, if alloyed into white gold. Currently, a precious metal can be identified by the number of the fineness mark, but if the numbers of fineness marks are added together, the metal can no longer be identified. Precious metal is the main determinant of the price of the article and must be identifiable without fail.

### **3 Objectives**

The objective of the proposal is to supplement the legislation on precious metal articles to bring it more in line with the requirements of the Precious Metals Convention. In addition, the objective is to implement certain technical changes and specifications that have been identified by the Finnish Safety and Chemicals Agency during its monitoring activities or otherwise deemed appropriate. The required legislative changes amend both the Precious Metal Products Act and the Precious Metal Articles Decree.

## **4 The proposals and their impacts**

### **4.1 Main proposals**

The Precious Metal Articles Act lays down the standard of fineness for precious metal articles and the levels of fineness permitted for the fineness mark, laid down in the Precious Metal Articles Decree. Amendments were made to the Common Control Mark's fineness marks in the Annexes of the Precious Metals Convention, which entered into force on 1 January 2019. To bring the new fineness levels of the marks into line with the national fineness marks, the new levels need to be added to the national legislation. The new levels will also have an impact on the platinum standard of fineness.

Section 2 of the Precious Metal Articles Act lays down definitions. In paragraph 1, a reference would be added to the definition of a precious metal on mutual fineness. Paragraph 1a would be added to indicate that metal refers to non-precious metals. In paragraph 2, the definition of a precious metal article would be supplemented by a reference to articles made of alloys of precious metals and non-precious metals. Paragraph 7 would be added to include the definition of the Precious Metals Convention. The Precious Metals Convention would refer to the Convention on the Control and Marking of Articles of Precious Metal, concluded in Vienna on 15 November 1972.

Section 3 of the Precious Metal Articles Act lays down the standard of fineness for precious metal articles to be introduced or sold on the market. In the case of platinum, an indication of

the standard of fineness for a platinum alloy containing 500 parts per thousand of pure platinum would be added to the section. Other amendments to the permitted fineness marks would be implemented by amendments to the Precious Metal Articles Decree. Subsections 3 and 4 would be added to this section to specify the distinction between a precious metal article and an article with a lower fineness than a precious metal article, as well as the introduction and on the market of these articles.

The Common Control Mark would be added to the marks used on precious metal articles referred to in Section 4 of the Precious Metal Articles Act. The marks which may be used in precious metal articles are laid down in Chapter 3 of the Precious Metal Articles Decree.

The provision in section 6 of the Precious Metal Articles Decree on the approval of sponsor's marks and the register would be repealed, with the updated provisions added to the Precious Metal Articles Act. Section 4 a on the approval of sponsor's marks and section 4 b on the register of sponsor's marks and information to be entered in the register would be added to the Precious Metal Articles Act. Section 4 c on the notification of changes and section 4 d on the restoration of the sponsor's mark to the register would also be added to the Act.

Paragraph 2 would be added to section 5 of the Act on Precious Metals, providing for the use of the Common Control Mark. For a precious metal product, compliance with the requirements of the Precious Metals Convention can be demonstrated by inspections carried out by the assay office and certified by means of a Common Control Mark, as agreed in the Convention.

In Section 6(1), the reference to section 5 of the Act would be amended so that the supervisory authority would also authorise the assay office to carry out CCM inspections and marking.

The Precious Metal Articles Decree and the Precious Metals Convention would be added to section 7(2) as provisions granting the right to monitoring.

Section 8 of the Act lays down the rights of the supervisory authority. Paragraph 1 of the section would be amended so that the simple access to places of assay would be replaced by the right to carry out inspections at places of manufacture, storage, sale and repair of precious metal articles and their parts and materials. In addition, the right of inspection would also be extended to places of assay, which would mean, for example, assay offices and business premises of a trader used for marking under monitoring by the assay office. Paragraph 3 would be added to this section, providing for the right of the supervisory authority to obtain samples of marks from the holders of sponsor's marks and the assay office.

The title of section 9 would be changed to Executive assistance, as this would better reflect the content of the provision. The wording of the provision would be amended so that the supervisory authority would have the right to obtain executive assistance from the police and customs upon request to monitor and enforce compliance with the Precious Metal Articles Act. The reference to the import of precious metal articles from outside the EEA would be removed as unnecessary.

The reference to the customs authority in section 10(1) of the Act would be changed to Customs.

Section 11(3) of the Act would be amended so that the supervisory authority could oblige an economic operator to compensate for the costs incurred for the purchase, testing, and examination of the product if the non-conformity of the article is significant.

The mention in section 15(1) of the Act of the customs authority would be changed to 'Customs' and the term 'Precious Metals Convention' would be used in paragraph 2.

## **4.2 Principal impacts**

### **4.2.1 Impact on traders**

The amendments to the Precious Metal Articles Act and Decree can be considered to have a positive impact on the activities of businesses.

It clarifies the distinction between precious metal articles and metal products when products are introduced and sold on the market.

The administrative burden on businesses in connection registration will be reduced. In the future, businesses would not have to submit an application to the supervisory authority on the termination of the registration of the sponsor's mark. An application would only be necessary to extend the registration after the three-year validity period. If the supervisory authority terminates the registration of the mark due a missing application for extension, the business would be given the opportunity to apply for the stamp to be restored to the register. Under current regulations, the stamp cannot be restored if its registration has been terminated. In particular, this amendment makes it possible to restore an older patterned mark. The amendment protects the interests of the trader.

The standards of fineness for precious metals will be increased, allowing companies to introduce on the market a wider range of precious metal articles at levels of fineness.

The amendment to the definition of a precious metal article allows traders to introduce on the market articles with a lower fineness than required of precious metal articles. Such articles may still not be sold as precious metal articles, but they may nevertheless be introduced on the market, if the marketing thereof does not make use of the terms gold, silver, platinum, or palladium, and they are not marketed as precious metal articles.

Clarification of the marking requirements will facilitate product design and imports of precious metal articles, for example.

The right of the supervisory authority to obtain sample marks from the holder or applicant of a sponsor's mark would not increase the financial burden on businesses, as the mark sample could, for example, be given on a piece of metal, and its issuance would only incur minimal costs for the business.

The marking of the chemical symbol of the precious metal on the fineness mark would become mandatory, as the same fineness is allowed for two or more precious metals. It will no longer possible to determine the precious metal from the fineness. If a business has already used a fineness mark whose base form indicates the presence of a precious metal, no new requirements will arise. On the other hand, if the fineness mark does not indicate the precious metal, the company must amend the fineness mark to match the Common Control Mark template or add the chemical symbol of the metal to the product. The latter companies will

incur costs for the commissioning and marking of new marking tools. This also applies to importers.

It is difficult to estimate the proportion of traders who would be affected by the commissioning of a new marking tool and what the costs would be. Information on precisely what types of fineness marks traders are using is not available.

Domestic manufacturers already use the Common Control Mark. The impact on imported products is estimated to be higher. However, a trader does not have to remove marks with a non-compliant shield, but the chemical symbol must be added to the mark. The acquisition of a new mark is a one-off cost of around EUR 200-300. The marking of imported goods with a new mark is a running cost. An importer may request that the manufacturer affix a new mark on the products when they are manufactured. This means that costs will no longer be incurred during the import process, as the need for marking will be eliminated.

If a company acts in breach of the Precious Metal Articles Act and sells non-compliant articles, the supervisory authority will be able to oblige the company to reimburse the market price of the article and the costs of the investigation.

#### 4.2.2 Impact on consumers

Precious metal articles are expensive, and the material has the most significant impact on their price. More products containing precious metals may enter the market due to changes in the standards of fineness and the change in the definition of a precious metal article. A high level of consumer protection is maintained and even improved as the consumer can clearly determine the material that a product is made of from the fineness mark.

The consumers' ability to distinguish between a precious metal article and a metal article is improved and more reliable at the time of purchase, when the fineness of these articles must be clearly stated along with an indication of whether the article meets the requirements for a precious metal article. The terms precious metal article, gold, silver, platinum, or palladium shall not be used in marketing if the standards of fineness prescribed for a precious metal article are not met.

#### 4.2.3 Impact on government finances and public authorities

The proposed regulation has no impact on government finances.

The supervisory authority referred to in the Precious Metal Articles Act is the Finnish Safety and Chemicals Agency. With the proposed regulation, the Finnish Safety and Chemicals Agency would be provided with the right to obtain control samples from the holder or applicant of a sponsor's mark or the assay office and to carry out the necessary controls at the places of manufacture, storage, sale, repair, and assay of precious metal articles and their parts and materials. The right of access to these locations, as provided for in the current legislation, shall be replaced with the right to carry out inspections at the said places. These two rights would be novel, but their use in monitoring activities is estimated to be limited and to require no additional resources.

In addition, provisions would also be laid out for the authorisation of the assay office for Common Control Marking and for the monitoring of the assay office and CCM-marked articles on the market, as well as for facilitating the termination of the registration of sponsor's

marks. None of these have a specific impact on the activities of the Finnish Safety and Chemicals Agency and required no additional resources.

## **5 Other options for implementation**

No other options for implementation were considered.

### **5.1 Legislation in other countries**

In general, the Nordic countries have similar provisions on the regulation and control of precious metal articles. Denmark, Finland, Sweden, and Norway are all members of the Precious Metals Convention. In the Nordic countries, inspections under the Precious Metals Convention are optional.

Of the other Contracting States of the Convention, inspection is also optional in Austria. Inspection is mandatory in Croatia, Cyprus, the Czech Republic, Hungary, Ireland, Latvia, Lithuania, the Netherlands, Poland, Portugal, Serbia, Slovenia, the United Kingdom, and Italy. In Israel, inspection is mandatory for gold articles. In Switzerland, inspection is mandatory for watches and optional for jewellery articles.

#### *Sweden*

In Sweden, the Ministry responsible for precious metals is the Näringsdepartementet (Ministry of Enterprise). The supervisory authority is SWEDAC, which is responsible for accreditation and market surveillance. RISE Research Institutes of Sweden is a large-scale research institute with metrology as one of its areas. This includes the *Ädelmetallkontroll* unit, which carries out fineness analyses of gold and silver as a commercial service.

Lag (1999:779) om handel med precious metal arbeten applies to precious metal articles made of gold, silver, or platinum. The marks used for precious metal articles are the same as in Finland – the sponsor's mark, the fineness mark, the location mark, and the year mark. An article made of gold or platinum must bear a fineness mark and a registered sponsor's mark; the location and year marks are not mandatory. The sponsor's mark is not required if the product bears a hallmark issued by an accredited assay office. The hallmark is therefore not mandatory on the product. Sweden is currently undergoing reforms of its legislation on precious metal articles.

#### *Norway*

In Norway, the Ministry responsible for precious metals is the Nærings- og fiskeridepartementet (Ministry of Trade, Industry and Fisheries). The supervisory authority is the Justervesenet, the national metrology agency. The agency itself carries out the necessary fineness analyses for market surveillance, but it also has the possibility, by law, to entrust this task to another qualified entity.

Lov om varer av edelt metall (LOV-2010-09-03-52) concerns precious metal articles made of gold, silver, or platinum. Articles must bear a fineness mark and a registered sponsor's mark.

#### *Denmark*

In Denmark, the responsible ministry for precious metals is the *Ehrvervsministeriet* (Ministry of Business). The supervisory authority is the *Sikkerhedsstyrelsen*, which is responsible for market surveillance in several technologies based on product safety directives. The inspection services for precious metals are provided by *Ædelmetalkontrol*, which is a part of FORCE Technology, a horizontal commercial research institute.

*Lov om ædle metar og konfliktminerale* concerns gold, silver, platinum, and palladium. The product must bear a fineness mark and a registered sponsor's mark that identifies the manufacturer, importer, or distributor of the precious metal article. Precious metal articles that have been demonstrated to be compliant may be marked with the hallmark of the *Sikkerhedsstyrelsen*.

## **6 Feedback**

### **7 Provision-specific rationale**

Section 2 *Definitions*. It is proposed that two new definitions are added to the section and that two definitions are clarified.

Paragraph 1 would be clarified to include the precious metals in the order of fineness. Platinum is the most precious metal, followed by gold, palladium, and silver.

New paragraph 1a would be added to the section, which, for the sake of clarity, would define base metals to differentiate from precious metals in paragraph 1. 'Base metal' would refer to metal other than the precious metals referred to in paragraph 1.

Paragraph 2 of the section would be clarified so that a precious metal article would also refer to multimetal articles composed of parts of precious metal and parts of non-precious metal that meet the requirements of section 3.

New paragraph 7 would be added, defining the Precious Metals Convention. 'Precious Metals Convention' would refer to the Convention on the Control and Marking of Articles of Precious Metal concluded in Vienna on 15 November 1972 (Finnish Treaty Series 17/1975).

**Section 3 Requirements.** This section lays down minimum requirements for articles of precious metal, i.e. the standards of fineness. The amendments to the Annexes to the Convention adopted by the Standing Committee of the Precious Metals Convention entered into force on 1 January 2019. The amendments approved the introduction of new Common Control Marks, which include fineness levels that do not correspond to the authorised fineness marks in Finland. It would be appropriate to transpose the new fineness levels into Finnish legislation so that the to bring the fineness levels approved in Finland in line with the Common Control Mark. The amendments also affect the permitted fineness levels laid down in the Decree on Precious Metal Articles (1148/2000).

It is proposed that subsection 1(3) be amended with regard to the standard of fineness for platinum. Only an article made from a platinum alloy containing at least 500 parts per thousand of pure platinum by weight can be introduced and sold on the market as a precious metal article.

It is proposed to add subsection 3 to this section, which would clarify the definition of precious metal articles. An article that is introduced or sold on the market or sold and which

contains platinum, gold, palladium, or silver may only be described as a precious metal article if it meets the standards of fineness laid down in subsection 1.

It is proposed that subsection 4 be added to the section, which would lay down provisions on articles containing fewer precious metals than the standard of fineness referred to in subsection 1. When such articles are introduced or sold on the market, it would be allowed to state that the article contains precious metals, while clearly stating that the precious metal content is lower than that of a precious metal article.

**Section 4** *Marks and responsibilities.* The first paragraph lays down the marks to be used on precious metal articles. It is proposed to add the Common Control Mark (CCM) provided for in the Precious Metals Convention to the list.

References to the authorisation and registration of marks would be removed from paragraph 4, as the provisions concerning them are moved to the Act and the power to issue decrees is no longer required.

**Section 4a** *Application, approval, and registration of the sponsor's mark.* This section is new and would contain provisions on the application for, approval of, and registration of the sponsor's mark. Similar provisions are now contained in section 6 of the Decree on Precious Metal Articles, which would be repealed. The section has also been supplemented.

In accordance with subsection 1, the Finnish Safety and Chemicals Agency, acting as the supervisory authority, would approve and register, upon application, a sponsor's marks that satisfy the requirements for sponsor's marks laid down in section 6 of the Decree on Precious Metals. The sponsor's mark would be approved for a period of three years. The application must include a proposal for the sponsor's mark, the operator applying for the sponsor's mark, an extract from the trade register or equivalent and notarised information, and contact details for the contact persons.

Subsection 2 would provide for the possibility of the supervisory authority to request other information from the applicant that is necessary to assess whether the requirements for registration are met.

**Section 4b** *The register of sponsor's marks and the content of the register.* This section is new and would contain provisions on the register of sponsor's marks and the information to be entered in the register. There are existing provisions on the register in section 6 of the Decree on Precious Metal Articles. This provision of the Decree would be repealed.

This section would provide for a register of sponsor's marks maintained by the Finnish Safety and Chemicals Agency and for the information to be entered therein. The register of sponsor's marks shall include information on the sponsor's mark and its validity, the details for the holder of the sponsor's mark, which include the business name, business ID and contact details and address, as well as contact details of the contact persons, including their names, mother tongues, email addresses and telephone numbers.

**Section 4c** *Notification of changes and renewal of registration.* This section is new and would contain provisions on the notification of changes to the register and the renewal of registration. A similar provision, which is repealed, is contained in section 6 of the Decree on Precious Metals.

Pursuant to paragraph 1, the holder of the sponsor's mark shall notify the Finnish Safety and Chemicals Agency in writing of essential changes to the registered information. The mark holder shall also be required to apply for renewal before the expiry of the three-year period if the holder wishes to continue the registration for a further three years.

According to subsection 2, the validity of the registration would end after a three-year period were it not renewed.

**Section 4d** *Restoration of the sponsor's mark to the register.* This is a new section and would regulate the restoration of a sponsor's mark to the register.

Subsection 1 would provide for the right of the holder of a sponsor's mark to submit an application to the supervisory authority for the restoration of its sponsor's mark to the register within one year of the date on which the mark holder is made aware of the expiry of the registration.

Under subsection 2, the supervisory authority would assess whether the conditions for registration are met. If so, the authority would enter the restoration decision in the register. Notwithstanding section 6, a sponsor's mark that does not comply with the requirements applicable at the time the sponsor's mark is restored could also be restored to the register of sponsor's marks. In particular, this amendment would enable to restoration of patterned marks to the register.

**Section 5** *Inspection and certification of products.* It is proposed that subsection 2 be added to the section, which would provide for the use of the Common Control Mark. For a precious metal product, compliance with the requirements laid down in the Precious Metals Convention could be demonstrated by inspections carried out by the assay office and certified by means of a Common Control Mark as agreed in the Convention.

**Section 6** *Authorisation and monitoring of the assay office.* The reference to section 5 would be amended so that the reference also covers the new subsection 2.

**Section 7** *Supervisory authorities.* Subsection 2 would be amended to clarify the criteria for the powers of the supervisory authority. In addition to compliance with the Precious Metal Articles Act, the supervisory authority would also monitor compliance with the Precious Metal Articles Decree and the Precious Metals Convention.

**Section 8** *Rights of the supervisory authority.* Two new rights would be added for the supervisory authority in subsection 1. Subsection 1(1) would be clarified to the effect that the supervisory authority has the power to carry out inspections at the places of manufacture, storage, sale, repair, and assay of precious metal articles and their parts and materials to monitor compliance with this Act. Places of assay would be added to the allowed inspection

sites, which refers to an assay office or business premises of a trader where marking is carried out under the control of an assay office.

Paragraph 3 would be added to subsection 1, according to which the supervisory authority would have the right to obtain samples of marks from the holder or applicant of the sponsor's mark and the assay office. A sample mark would refer to a mark stamped on a precious metal article not under assay. The sample mark could be, for example, a mark stamped on a separate metal plate.

Even without an expressly laid out provision, the inspection referred to in subsection 1(1) would be carried out under section 39 of the Administrative Procedure Act (434/2003), according to which the authority must, inter alia, inform the interested party of the date on which the inspection is initiated, unless such a disclosure would jeopardise the purpose of the inspection. During the inspection, the interested party must also be informed, inter alia, of the objectives of the inspection, the inspection procedure and, where possible, the follow-up measures. The inspection shall also be carried out without undue inconvenience to the subject of the inspection or holder. The principles of good administration that are otherwise reflected in the Administrative Procedure Act shall also apply.

**Section 9 *Executive assistance.*** This section would lay out provisions for the police and Customs to provide executive assistance to the supervisory authority to monitor and enforce the implementation of this Act. The title of the section would be changed to 'Executive assistance,' as that better reflects the content of the section. The term 'customs authority' in this section would be changed to Customs. The reference to the import of precious metals articles from outside the EEA would be removed as unnecessary.

**Section 10 *Right of access to information.*** The reference to the customs authority in subsection 1 would be changed to Customs.

**Section 11 *Non-conforming article.*** Subsection 3 would be amended to make it possible to obligate an economic operator to compensate for the costs incurred for the purchase, testing, and examination of the article if the non-conformity of the article is significant. The supervisory authority would no longer be required to apply the prohibition or requirement of paragraphs 1 and 2.

**Section 12 *Periodic penalty payments and notice of enforced compliance.*** The reference to the Act on Conditional Fines in subsection 1 would be updated.

Subsection 2 would be repealed as an overlapping regulation because of a similar provision in the Act on Conditional Fines.

Subsection 3 would be amended by deleting the reference to the repealed subsection 2 and by replacing the reference to the repealed Act on the recovery of taxes and fees with a reference to the Act on the Enforcement of Taxes and Public Payments (706/2007).

**Section 15 *Disclosure of confidential information.*** In paragraph 1, the term 'customs authority' would be changed to Customs. In paragraph 2, the term 'international convention binding on Finland' would be changed to 'Precious Metals Convention'.

## **8 Regulation at the level of secondary legislation**

### **8.1. Power to issue decrees**

Pursuant to sections 1(3), 3(2), 4(4), 5, 6(1) and (2), and 18(1) of the Act on Precious Metal Articles, the Government Decree on Precious Metal Articles has been issued. The Decree specifies the scope and requirements, marks, assays, and certification of precious metal articles. In addition, the Decree lays down the procedures and requirements for the authorisation of assay offices, as well as operational restrictions and obligations on assay offices and the supervisory authority.

There would be no changes to power to issue decrees in the Act on Precious Metal Products.

## **9 Entry into force**

The proposed Act is due to enter into force on 1 January 2026.

## **10 Relationship to the Constitution and legislative process**

### *Right of inspection by the supervisory authority*

Section 8 of the Precious Metal Articles Act lays down the rights related to the monitoring carried out by the supervisory authority, i.e. the Finnish Safety and Chemicals Agency. According to the proposal, the Finnish Safety and Chemicals Agency would be entitled to carry out the necessary inspections at the places of manufacture, storage, sale, repair, and assay of precious metal articles and their parts and materials, if such inspection is necessary to monitor compliance with the Precious Metal Articles Act. The right of inspection would not be extended to premises used for permanent housing and therefore the proposal does not require review from the perspective of the sanctity of the home guaranteed by section 10(1) of the Constitution of Finland.

### *Authority of Åland*

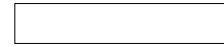
Sections 18 and 27 of the Act on the Autonomy of Åland (1144/1991) provide for the division of authority between the State and Åland. The proposed regulation concerns the manufacture and marking of precious metals and the trade of articles containing precious metal, which, according to Section 27(20) of the Act on the Autonomy of Åland, fall within the legislative authority of the State.

For the above reasons, the Bill meets the requirements of the Constitution, and the Act may be adopted in accordance with the ordinary legislative procedure.

### *Resolution*

Based on the foregoing, the following Government Proposal is submitted to Parliament for approval:





# **Act**

## **amending the Act on Precious Metal Articles**

In accordance with the decision of Parliament  
amend sections 2(1), (2) and (6),  
3(1)(3), 4(1), 4(4), 6(1), 7(2), 8(1)(3), 9, 10(1), 11(3), 12, and 15 of the Act on Precious  
Metal Articles (1029/2000),  
keep as is sections 2(1) and 3(1)(3) of Act 977/2008, section 2(2) of Act 154/2005 and  
section 15 of Act 698/2018, and  
add new paragraphs 1a and 7 to section 2, new paragraphs 3 and 4 to section 3, new sections  
4 a and d, new paragraph 2 to section 5, new paragraph 4 to section 8(1), read as follows:

### Chapter 1

#### **General provisions**

##### *Section 2*

##### *Definitions*

For the purposes of this Act:

- 1) precious metal refers to platinum, gold, palladium, and silver. Platinum is the most precious metal, followed by gold, palladium, and silver;
  - 1 a) base metal refers to all other than precious metals;
- 2) precious metal article refers to an article made wholly or in part from precious metals or alloys of precious metals and base metals that meets the requirements of section 3;
- 3) mark refers to a permanent mark stamped on precious metal articles;
- 4) Ministry refers to the Ministry of Employment and the Economy;
- 5) supervisory authority refers to the Finnish Safety and Chemicals Agency;
- 6) assay office refers to an organisation recognised as competent and authorised to perform the tasks of an assay office laid down in this Act;
- 7) Precious Metals Convention refers to the Convention on the Control and Marking of Articles of Precious Metal concluded in Vienna on 15 November 1972 (Finnish Treaty Series 17/1975).

### Chapter 2

#### **Precious metal articles**

##### *Section 3*

### *Requirements*

It shall only be permitted to place on the market and sell as a precious metal article products manufactured from alloys containing at least:

1. 375 parts per thousand of pure gold by weight;
  2. 800 parts per thousand of pure silver by weight;
  3. 500 parts per thousand of pure platinum by weight;
  4. 500 parts per thousand of pure palladium by weight.
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When an article containing precious metal is introduced or sold on the market, it may only be described as a precious metal article, platinum, gold, palladium, or silver if it meets the requirements set out in subsection 1.

When articles which do not comply with the requirements of subsection 1 are introduced or sold on the market, it may be noted that the product contains platinum, gold, palladium, or silver. At the same time, it must be clearly stated that the fineness of precious metal is lower than that of a precious metal article.

### *Section 4*

#### *Marks and responsibilities*

The marks used in a precious metal article are the assay office mark, the Common Control Mark, the sponsor's mark, the fineness mark, the year mark, and the location mark.

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Further provisions on marks and other permitted markings are laid down in the Government Decree.

#### *Section 4a*

##### *Application, approval, and registration of the sponsor's mark*

The supervisory authority may, on application, approve and register a sponsor's mark if the mark meets the requirements in section 6 of the Decree on Precious Metal Articles. The sponsor's mark shall be approved for a fixed period of three years. The application must include:

- 1) the proposed sponsor's mark
- 2) the operator applying for the mark
- 3) extract from the Trade Register or equivalent certified information
- 4) contact details of the contact persons.

At the request of the supervisory authority, the applicant shall provide any other information necessary to assess whether the conditions for registration have been met.

#### *Section 4 b*

##### *The register of sponsor's marks and the content of the register*

The supervisory authority shall keep a register of approved sponsor's marks (register of sponsor's marks).

The following information shall be entered in the register of sponsor's marks:

- 1) the sponsor's mark and its validity
- 2) details of the operator who registered the sponsor's mark (name, business ID, contact details and address)
- 3) contact details of the contact persons (name, native language, email address and telephone number)

#### *Section 4 c*

##### *Notification of changes and renewal of registration*

The holder of a sponsor's mark shall notify the supervisory authority in writing of any material changes to the registration information provided and apply for renewal of the registration before the expiry of the registration, in which case the registration shall be extended for a further period of three years.

The registration shall expire at the end of the three-year period, unless renewed.

#### *Section 4 d*

##### *Restoration of the sponsor's mark to the register*

The holder of a sponsor's mark may apply to the supervisory authority for the restoration of their sponsor's mark to the register within one year of the date when the holder was made aware of the termination of the registration.

The supervisory authority shall assess whether the conditions for registration are met and record the restoration decision in the register. Notwithstanding the conditions for registration laid down in section 6 of the Decree on Precious Metal Articles, a sponsor's mark that does not comply with the requirements applicable at the time of restoration may also be restored to the register of sponsor's marks.

#### *Section 5*

##### *Assay and certification of articles*

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For a precious metal article, compliance with the requirements laid down in the Precious Metals Convention may be demonstrated by an assay carried out by the assay office and certified by means of a Common Control Mark as laid out in the Precious Metals Convention.

#### *Section 6*

##### *Authorisation and monitoring of assay offices*

The supervisory authority approves assay offices to carry out the tasks referred to in section 5 as further specified in this Act and the Government Decree.

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Chapter 3

**Monitoring**

Section 7

*Supervisory authorities*

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The supervisory authority shall monitor compliance with this Act, the decree adopted pursuant to it, and the Precious Metals Convention.

Section 8

*Rights of the supervisory authority*

To monitor compliance with this Act, the supervisory authority shall have the right to:

- 1) carry out inspections at the places of manufacture, storage, sale, repair, and assay of precious metal articles and their parts and materials;
- 2) obtain the necessary samples from the assay office and the manufacturer, importer, seller and storer of precious metal articles and their parts and materials;
- 3) obtain sample marks from the holder or applicant of a sponsor's mark and from the assay office.

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Section 9

*Executive assistance*

To monitor and enforce this Act, the supervisory authority shall have the right to obtain, upon request, the executive assistance of the police and Customs.

Section 10

*Right of access to information*

Notwithstanding the provisions on confidentiality concerning the disclosure of information, the supervisory authority shall have the right to obtain, for the purpose of monitoring compliance with this Act, the following:

- 1) From Customs, in the case of imports from outside the European Economic Area, the name of the importer of a precious metal article and information on the type, quantity and time of import of precious metal articles;
- 2) information from the assay office and the manufacturer, importer, seller and storer of precious metal articles and their parts and materials.

Section 11

### *Non-conforming product*

If, as a result of monitoring, it is found that a precious metal article does not conform with the requirements laid down in sections 3 or 4, the supervisory authority shall have the right to:

- 1) prohibit the manufacture, marketing, sale, or other transfer of such precious metal articles;
- 2) require the party responsible for the conformity of the precious metal article to make such changes to the precious metal article as are necessary to achieve conformity, or if this is not appropriate or possible, determine other procedures for the article;
- 3) oblige the economic operator to compensate for the costs incurred for the purchase, testing, and examination of the article if the non-conformity of the article is significant.

## Chapter 4

### **Coercive measures and penalties**

#### Section 12

#### *Periodic penalty payments and notice of enforced compliance*

The supervisory authority may reinforce a prohibition, requirement, or obligation that it has issued pursuant to this Act by means of a periodic penalty payment or notice of enforced compliance. The Act on Conditional Fines (1113/1990) lays down provisions on periodic penalty payments and notices of enforced compliance.

The expenses referred to in section 11, paragraph 3 may be collected from the party without a judgment or a decision in the order provided for by the provisions of the Act on the Enforcement of Taxes and Public Payments (706/2007).

## Chapter 5

### **Miscellaneous provisions**

#### Section 15

#### *Disclosure of confidential information*

Notwithstanding the obligation of confidentiality laid down in the Act on the Openness of Government Activities (621/1999), while performing monitoring duties for compliance with this Act, information on the financial status of an individual, a society or a foundation, confidential business information and the personal circumstances of an individual may be disclosed to:

- 1) the Prosecution Authority, the Police, and Customs for the purpose of the investigation of a criminal offence;
- 2) foreign institutions and inspectors within the meaning of the Precious Metals Convention, as far as it is so required by the Convention.

This Act enters into force on [day] [month] 20xx.

Helsinki xx xx 20xx

**Prime Minister**

**First name Last name**

Minister of ... First name Last name