

SPECIAL REPORT

Precious Metals Commission



CONGRESS 2016

Yerevan, Armenia

26-28 October 2016

Precious Metals Commission reports progress on EU nickel regulations and pending conflict mineral legislation

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In recent years, CIBJO's Precious Metals Commission has been involved in lobbying for appropriate laws and regulations in matters concerned with the imposition of restrictions on

the precious metal jewellery industry. This has taken place largely in Europe, and it continued in 2015 and 2016. Positive results can be reported upon.

Among the specific statutes that have come under commission's review is REACH, which stands for Registration, Evaluation, Authorisation



and Restriction of Chemicals. It first entered into force on June 1, 2007, and is a regulation of the European Union meant to improve the protection of human health and the environment from the risks that can be posed by chemicals, while defending the competitiveness of the EU's chemicals industry.

More specifically CIBJO has focused on REACH Annex XVII, which lists 59 categories, involving more than 1,000 substances, which have specific restrictions. Entry 27 of REACH Annex XVII deals with jewellery containing nickel that comes into prolonged contact with the skin.

Also under the commission's purview has been a proposed law designed to prevent the trade in minerals from areas of conflict. Deliberations about this piece of legislation have lasted several years already, and have in the past been the subject of discussions conducted by CIBJO's European Committee and the European Commission in Brussels.

Unsatisfactory 'no clear decision' amended

CIBJO's Precious Metals Commission has for a long period been concerned with nickel release testing in accordance with REACH regulations, and in particular a "no clear decision category" that was contained in the standard EN 1811:2011, which was applied to levels of 0.11-0.35 micrograms per square centimetre per week for post assemblies and body piercings, and 0.28-0.88 micrograms per square centimetre per week for other components in direct and prolonged contact with the skin.

Already in 2013, the CIBJO Precious Metals Commission recommended that the "no clear decision category" be abolished and the compliance level becomes less than 0.35 micrograms for post assemblies intended to pierce the body, and less than 0.88 micrograms for items intended to come into prolonged and direct contact with the skin.

Following active lobbying by the Precious Metals Commission supporting the suggested revisions to EN 1811:2011, amended nickel standards were published in the Official Journal of the EU (OJEU) in January 2016.



Stella Layton, President of the CIBJO Precious Metals Commission.

These harmonized standards replace any inconsistent national standards that were in place within the EU, and finally deliver a satisfactory suite of tests to ensure compliance with the nickel release levels imposed throughout the EU by Entry 27 of Annex XVII of REACH.

The three tests are now:

- EN 1811:2011+A1:2015 — Reference test method for release of nickel from all post assemblies which are inserted into pierced parts of the human body and articles intended to come into direct and prolonged contact with the skin. It provides a simpler reporting process of results for suppliers, manufacturers and retailers testing to the nickel release standard. Laboratories will be able to provide results which will be reported as either "compliant" or "non-compliant," or "PASS" and "FAIL."
- EN 12472:2005+A1:2009 — Method for the simulation of wear and corrosion for the detection of nickel release from coated items.
- EN 16128:2011 — Reference test method for release of nickel from those parts of spectacle frames and sunglasses intended to come into close and prolonged contact with the skin.



James Courage, Vice President of the CIBJO Precious Metals Commission.

PMC's participation at nickel conferences

The Precious Metals Commission's active involvement in ensuring these reference test methods in the European Union has been acknowledged by the Nickel Producers Environmental Research Association (NIPERA), which invited CIBJO to participate in two major nickel conferences in the past 12 months.

Dippal Manchanda, Research and Development Director of Assay Office Birmingham, represented CIBJO at a stakeholders' workshop in Brussels jointly organised by NIPERA and the Nickel Institute. The objective was to discuss the achievements so far and future challenges in terms of implementation of nickel regulatory action. A new European Chemical Agency (ECHA) definition of "prolonged skin contact" was a particular topic for discussion.

Following the helpful contribution in Brussels, CIBJO was also invited to participate in the Nickel Institute North American Dermatitis Workshop in Chicago in June 2016. It was facilitated by the Nickel Institute, which is a global association of the world's primary nickel producers, who together account for approximately 85 percent of worldwide annual nickel production outside China.

Marion Wilson, who chaired the Precious Metals Commission at the congress in Brazil in 2015,

represented CIBJO at this event in Chicago, assisting North Americans by explaining the pitfalls which have hampered the progress of the EU legislation during the past 16 years, and sharing invaluable market experience with them.

Agreement reached on EU Conflict Minerals law

The European Commission continues to negotiate its conflict minerals regulation. Although still not complete, some progress was reported on June 15, 2016, when it was announced that a "political understanding" had been reached on many of its substantive components. The path now appears to be open for the law finally to be drafted and submitted to the European Parliament and Council for adoption.

According to the understanding, the European conflict minerals law will cover the trade in tin, tungsten, tantalum and gold. It will target key junctures in the precious metals pipeline, regulating smelters, refiners and direct importers. These will be expected to do so in a manner aligned with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Each EU member state will be responsible for ensuring compliance by companies within its jurisdiction.



Karina Ratzlaff, Vice President of the CIBJO Precious Metals Commission.



LEFT: Dippal Manchanda, Research and Development Director of the Assay Office Birmingham, representing CIBJO at the stakeholders' workshop in Brussels, which was jointly organised by NIPERA and the Nickel Institute. RIGHT: Marion Wilson, Director of the AnchorCert Academy, of the Assay Office Birmingham, representing CIBJO at the Nickel Institute North American Dermatitis Workshop In Chicago.

Small-volume importers and manufacturers will not be bound by mandatory restrictions although they will be urged to source responsibly. The law also will not impose direct obligations on companies that manufacture products containing tin, tungsten, tantalum and gold, but companies subject to the EU Directive on Non-Financial Reporting will be "encouraged" to report on how they source the minerals.

Unlike the Dodd-Frank Act in the United States,

the proposed EU legislation is not expected to limit the restriction to the Democratic Republic of Congo and surrounding areas, but will require due diligence to be applied when importing from any conflict-affected or high-risk areas. The European Commission said it will use outside experts to develop the list of conflict-affected and high-risk areas.

There is currently no estimated date of completion for the European conflict minerals law.

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