



Attaining Global Standards for Indian Refining Industry

Rajesh Khosla
MMTC-PAMP India Private Limited
August 22nd, 2015



Key Elements of a Global Standard & What Refiners will need to be prepared for





Contents

- Compiling Refiner's data
- Testing Refiner's Assaying capability
- Responsible Gold Compliance and its independent audit
- Proactive Monitoring





Refiner data

- Establishing Long Term Financial Viability; minimum acceptable financial parameters.
- Sustained ability to meet required standards; prescribe minimum volume of refining.
- Satisfy global KYC norms; Ownership, financial standing and reputation.
- Manufacturing facility; detail installed plant and machinery, manufacturing process, environmental safeguards, raw material, compliance with local statute, video film of the facility and the refining process in use.





Testing Refiner's Assaying capability

- Identify testing methodology, i.e. fire assay / spectrograph / others.
- “Self-testing samples”; repeat self-testing till refiner's analysis results are acceptable.
- “Reference testing samples”; independent verification of results. Procedure / time interval for repeating the “test” in the event first attempt results are outside acceptable deviation.





Testing Refiner's Assaying capability (continued)

- Submit sample bars for independent assay by at least two accredited laboratories / refineries from a panel.
- Check sample bars for dimensional / weight / marking accuracy.
- Physical Committee to consider results.
- Make available Certified Reference Materials to laboratories that want to calibrate its analytical equipment to the prescribed standard.





Responsible Gold Compliance & its independent audit

- To assure investors, consumers and regulators that the gold material is conflict-free due to compliance with an audited, conflict-free process.
- Based on OECD Due Diligence Guidance, International KYC, Anti-Money laundering and Combating Terrorist Financing regulations.





Responsible Gold Compliance & its independent audit (continued)

- Independent third party audit of Refiner's supply chain due diligence.
- Special attention to supplies from Artisanal & Small scale miners.





Proactive Monitoring

- Reviews assaying competence of refiners on a regular, defined basis.
- Refining production levels and pre-defined financial criteria compliance.
- Independent supervisors to witness the dip-sampling operation that provides the samples for independent testing and comparing with refiner's result .





Proactive Monitoring (continued)

- Assay capability must be within a predetermined range, say 995---999.9.
- Provide “reference testing samples”; define procedure for verifying results.
- Proficiency testing of accredited refiners, on voluntary basis, with results submitted for independent evaluation.





HOW TO GO ABOUT DOING IT ?





The Debate

- Is there an existing Organization or do we need to create one?
- Industry-led development agenda? Create an industry body
- Define its constitution & composition
- Hand holding by global institutions like LBMA, WGC
- Formal training and certification of Assayers
- ROAD MAP for Phased implementation, recognizing fledgling status of refining industry in India

