



Updated draft Chain of Custody Standard – Round 3 Consultation CoC review

Introduction

RJC is seeking comment from all stakeholders on the updated Chain of Custody (CoC) standard as part of this review. RJC is conducting the consultation process as per the [ISEAL standard setting code](#).

As a result of mixed feedback in the last two rounds of consultation, the topic of recycled is yet to be resolved. Therefore, RJC are looking to address this in this 3rd round of consultation in which the RJC is seeking to receive feedback on the new proposed RJC definition of recycled and its implementation. You can find the proposed draft standard below, and the draft definition on the RJC [website](#).

We are now inviting all stakeholders to have their say as part of this third round of public consultation.

Timeline

The first and second rounds of consultation have been successfully completed. Feedback from the consultations have been taken into account and the draft standard has been amended accordingly. Feedback regarding ASM will be dressed in the multistakeholder workstream planned to begin after the CoC Standard is released.

This third round of consultation is being held as a result of mixed feedback in the last two rounds of consultation on the topic of recycled materials. This consultation will be 30 days from the 11 April to 13 May.

How to provide comments

We kindly ask that all comments are submitted via an online form, which can be accessed: [here](#). We also welcome feedback via consultation@responsiblejewellery.com.

Enquiries

If you have any enquiries or questions on how you can engage in the consultation, or would like to know more about the consultation process, please email us at: consultation@responsiblejewellery.com.

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RJC Chain of Custody (CoC) Draft Standard Provisions

~~DUE DILIGENCE AND KNOW YOUR COUNTERPARTY FOR RESPONSIBLE SOURCING~~

- ~~1.1. Entities shall adopt and communicate to their suppliers and the public a supply chain policy for sourcing gold, silver and PGM from conflict-affected and high-risk areas. The policy shall be consistent with Annex II of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas ('the OECD Guidance').~~
- ~~1.2. Entities shall exercise due diligence over the supply chains of gold, silver and PGM in ways appropriate to their size and circumstances:~~
 - ~~a. Entities in the gold & silver value chain shall adhere to the OECD Guidance and the recommendations of its Supplement on Gold as applicable to their operations.~~
 - ~~b. Entities in the PGM value chain shall adhere to the OECD Guidance.~~

~~1.3 Refiner entities shall maintain internal material control systems that allow for the reconciliation of movement of inventory in and out over a given time. Gold refiners shall additionally collect and, with due regard to business confidentiality, share information on the mine of origin of mined gold received with the RJC each year.~~

~~KNOW YOUR COUNTERPARTY (KYC)~~

- ~~2.1 The entity shall document a KYC policy and procedures for business partners. Business partners include suppliers or customers of gold, silver and PGM or jewellery products containing these materials. The policy and procedures shall include:~~
 - ~~a. Establishing the identity and, where triggered by a risk assessment or applicable law, the beneficial ownership and principals of the counterparty.~~
 - ~~b. Verifying that the counterparty and, if applicable, their beneficial owners are not named on relevant government lists for individuals or organisations implicated in money laundering, fraud or involvement with prohibited organisations and/or those financing conflict.~~
 - ~~c. Maintaining an understanding of the nature of their business, finances and sources of materials.~~
 - ~~d. Monitoring relevant transactions for unusual or suspicious activity and reporting suspicious transactions to the relevant authorities as applicable.~~
 - ~~e. Maintaining adequate records for a minimum of five years or for as long as defined by national legislation, whichever is longer.~~
- ~~2.2 The entity shall nominate an individual to be responsible for implementing the KYC policy and procedures.~~
- ~~2.3 The entity shall carry out a regular review of its KYC policy and procedures to ensure they are up to date and appropriate.~~
- ~~2.4 Entities shall maintain records of all single or apparently linked cash or cash-like transactions equal to or above 10,000 euros/US dollars or the threshold defined by applicable law (whichever is lower). Where required by law, entities shall report such transactions to the relevant designated authority.~~

CHAIN-OF-CUSTODY MANAGEMENT

13.1 The entity shall have documented management systems that address all applicable requirements of the standard in all facilities under its control that have custody of CoC material.

13.2 The entity shall assign authority and responsibility to a senior staff member for the entity's compliance with all applicable requirements of the standard.

13.3 The entity shall establish and implement communications and training measures that make relevant personnel aware of, and competent in, their responsibilities under the standard.

13.4 The entity shall maintain records covering all applicable requirements of the standard and shall retain them for a minimum of five years or for as long as defined by national legislation, whichever is longer.

13.5 The entity shall have systems in place that enable it to respond to reasonable requests for verification of the CoC transfer documents it issues.

13.6 The entity shall carry out regular reviews at least every two years to ensure that its management systems are appropriate and up to date.

13.7 The entity seeking CoC certification shall be an RJC member, or under the control of an RJC member, in good standing, ~~thereby committing~~ [certified to the RJC's COP 2019 or later and thereby be committed](#) to uphold responsible business practices as defined in the RJC's COP.

INTERNAL MATERIAL CONTROLS

24.1 The entity shall identify each point at which there is an opportunity for eligible and/or CoC material in its custody to become mixed with non-eligible and/or non-CoC material, and shall put controls in place to ensure segregation.

24.2 The entity's internal systems shall be able to reconcile the total weight of eligible and/or CoC material in its custody with movements in and out of the inventory over a given time. If the entity has custody of jewellery products containing CoC material, reconciliation may be by item count rather than weight.

24.3 If the entity issues a CoC transfer document for CoC material identified as having a certain provenance or other characteristic, the entity's internal systems shall ensure that the requirements for segregation and reconciliation as set out in provisions 24.1 and 24.2 apply to help segregate that CoC material.

24.4 The entity's internal systems shall verify and document that the contents of each shipment of CoC material received from, or dispatched to, other ~~certified~~ entities, outsourcing contractors or service companies [certified to this Standard](#) are accurately described by the applicable CoC transfer document for that shipment [or through equivalent records in cases where the use of a transfer document has been suspended in line with the requirements in provision 8.4](#). If an error is discovered after CoC material has been shipped, the entity and the other party shall document the error and take the agreed steps to correct it.

2.5 Refiner entities shall additionally:

- a. maintain internal material control systems that can uniquely identify the origin of each material including date received, quantity and assay, and reconcile movement of inventory in and out. ~~over a given time.~~
- b. Collect and annually publicly report, with due regard to business confidentiality, information on the quantity, source and characteristics of the materials handled.
- c. Collect and annually publicly report, with due regard to business confidentiality, information on the mine of origin of mined gold received.

OUTSOURCING CONTRACTORS AND SERVICE COMPANIES

3.5.1 The entity shall not transfer CoC material to an outsourcing contractor or service company unless the following conditions have been met:

- a. The entity shall have, and shall not relinquish, legal ownership of any CoC material transferred to the outsourcing contractor or service company.
- b. The entity shall assess the risk of potential non-conformance with this standard resulting from engaging each outsourcing contractor or service company that takes custody of the entity's CoC material, and determine, based on that risk assessment, that the risk is acceptable.
- c. Any outsourcing contractor that takes custody of an entity's CoC material shall be included in the entity's certification scope and shall have a management system in place that conforms with provision 2.4 of this standard (on internal material control).
- d. Any outsourcing contractor included in the entity's certification scope shall not outsource any processing of CoC material to any other contractor.

3.5.2 For the return of CoC material from an outsourcing contractor or service company:

- a. The entity shall verify and record that each transfer it receives for the return of CoC material is consistent with the CoC transfer document that it issued when the CoC material was shipped to the outsourcing contractor or service company, subject to any changes to the CoC material expected as a result of the outsourcing contractor's processing or manufacturing activities.
- b. If there are inconsistencies, the entity shall not issue any subsequent CoC transfer documents for that material.

c. Where material has been provided to an outsourced contractor without a transfer document, the member shall have systems in place to verify that any surplus material being returned has come from an original consignment, and that it is still identifiable either through the items or components being of a unique nature or the packaging remaining intact.

3.3 Where the entity transfers finished products to the final customers through owned or affiliated distribution entities, the following conditions shall be met:

- a. No further processing or transformation of the finished products shall be undertaken from the point at which the products have been transferred to the legal ownership or custody of the affiliated entity.
- b. The entity shall assess the risk of potential non-conformance with this standard resulting from the operations of an affiliated entity involved in the distribution, logistics and retail of CoC material, and determine, based on that risk assessment, that the risk is acceptable.
- c. Any affiliated entity involved in the logistics, distribution or retail of finished CoC products shall not outsource the distribution, logistics or retail of such

[products to any external contractor or service company other than as described in provision 3.1.](#)

SYSTEMS TO CONFIRM ELIGIBILITY OF MATERIAL ELIGIBLE MINED MATERIAL

[46.1](#) An entity shall have systems in place to ensure that eligible mined material declarations are only issued for material sourced from the following:

- a. Mines that are within its CoC certification scope or in which it holds a legal interest and where the mines are within the CoC certification scope of another CoC certified entity.
- b. Artisanal and small-scale mining (ASM) producers operating on the entity's mining concessions that have participated in initiatives to professionalise and formalise ASM and with documented due diligence confirming that the material comes from such ASM producers and not from illegitimate sources.
- c. Mines or producers certified under an RJC-recognised responsible ASM standard, with documented due diligence that confirms that the material comes from such mines or producers.
- d. Mines that are subject to an RJC-accepted responsible mining assurance scheme and validated to conform with the RJC COP requirements as defined in provision [46.2](#).
- e. Processing residues ~~including tailings whether ceased or currently active~~ that contain traces [of](#) precious metals from which mining by-product can be extracted, for which an eligible material declaration may only be issued by the refiner.
- f. [Tailings whether ceased or currently active, originating from a mine that conforms to provisions 4.1a-d from which precious metals can be extracted, for which an eligible material declaration may only be issued by the refiner.](#)

[46.2](#) An entity sourcing eligible material from mines subject to an RJC-accepted responsible mining assurance scheme under provision [46.1d](#) shall have documentation of having carried out the following validation process [in relation to any provisions not specifically aligned to the RJC COP](#) :

- a. Enhanced KYC for each mine using the RJC enhanced KYC checklist.
- b. A desktop review of the mine's conformance with the COP using the RJC Self-Assessment workbook and taking into account RJC-accepted mining assurance schemes.
- c. Additional research on assurance reports and legal compliance, covering labour rights, working conditions, legal requirements in the country of operations and an assessment of the mine's compliance.
- d. An in-person verification of all applicable COP provisions, or third-party audit.
- e. Confirmation of CoC eligibility.

[46.3](#) An entity issuing an eligible material declaration for mined material shall have documented due diligence in conformance with provision [74 of the RJC Code of Practices standard](#) that can confirm [to](#) one of the following:

- a. The mine(s) from which the mined material is produced, and its transportation routes, is not located in conflict-affected and high-risk areas; or
- b. The mine(s) from which the mined material is produced, and its transportation routes, is located in conflict-affected and high-risk areas, but the production, processing and transportation of the material is confirmed as not having adverse impacts related to those areas; or

- c. The material is mining by-product with suppliers screened according to the KYC systems and procedures described in provision [12 of the RJC Code of Practices standard](#).

ELIGIBLE RECYCLED [AND RECLAIMED](#) MATERIAL

~~5.7.1~~ An entity shall have systems in place to ensure that eligible recycled material declarations are only issued for: ~~material sourced from the following:~~
[Gold, silver or PGM derived from:](#)

- a. [high value post-consumer precious metal products, such as jewellery and ornaments that are no longer required/desired or can no longer be used for their original purpose. This does not include investment products;](#)
- b. [low grade scrap and other such materials from the manufacturing process such as floor sweepings and pollution control materials;](#)
- c. [melted manufacturing scrap fully traceable to eligible recycled material; or](#)
 - [waste from industrial products including electrical and electronic equipment, or industrial components such as spent catalysts and fuel cells.](#)

[5.2](#) An entity shall have systems in place to ensure that eligible reclaimed material declarations are only issued for [gold, silver or PGM derived from the jewellery and manufacturing process or from semi-processed or finished items that have not entered the consumer market but are returned to a refiner or other downstream intermediate processor to begin a new life cycle as "reclaimed gold, silver or PGM"](#).

[5.3](#) Where an entity is issuing eligible material declarations for a mix of recycled and reclaimed material, they shall have systems in place to ensure that all materials conform to these descriptions. [If a percentage of the different materials is declared, the entity shall have systems in place to calculate these percentages and retain evidence to support the declarations made.](#)

~~5.7.32~~ The entity shall provide documented criteria for acceptable sources and types of recycled [and reclaimed](#) precious metals to counterparties, including:

- a. Companies seeking approval to become commercial suppliers to the entity.
- b. Private individuals and estates who wish to sell private materials to the entity.
- c. CoC certified customers purchasing CoC material from the entity.

~~5.7.43~~ The entity shall have documented procedures and records to approve new commercial suppliers, which shall include:

- a. Conducting KYC as described in provision [12 of the RJC Code of Practices standard](#) to establish the beneficial ownership and principals for all suppliers, not just high-risk suppliers.
- b. Reasonable determination of the origin of the recyclable [or reclaimable](#) material [to establish that any material described as "scrap" or "waste" can legitimately be accepted to meet those definitions.](#)
- c. ~~Conducting human rights and environmental due diligence of the supply chain to the point of origin of recyclable materials, as described in provision 4~~
[Ensuring that the due diligence process as described in provision 7 of the RJC Code of Practices standard covers the supply chain to a sufficient depth to provide confidence on the point of origin of recycled or reclaimed materials.](#)

- d. Denying the supplier if information acquired through the approval process provides reasonable evidence to suspect any adverse human rights impacts in the supply chain, or the legitimacy of the supplier and/or its sources.

~~7.45.5~~ The entity shall have documented procedures and records for monitoring commercial suppliers. In addition to due diligence and KYC as described in provisions ~~4 and 27~~ and 12 of the RJC Code of Practices standard, this shall include:

- a. Maintaining an understanding of the origin of the recyclable or reclaimable material.
- b. Reviewing the due diligence and KYC policy and procedures of the commercial supplier if they are identified as representing a high risk of introducing illegitimate sources into the supply chain. Site visits to verify the supplier's systems and records should be undertaken proportionate to the risk level.
- c. Excluding the supplier from producing any CoC material if there is reasonable evidence to suspect the legitimacy of the supplier and/or its sources (such as unusual or suspicious transactions, activities or associations) and if, upon investigation, these cannot be cleared of suspicion. Suspicious transactions, activities or associations identified should be reported to the relevant authorities, in accordance with the local law.

~~7.55.6~~ For recyclable or reclaimable materials sourced directly from private individuals or estates:

- a. The entity shall have documented procedures and records for obtaining proof of:
 - the identity of the seller; and
 - the identification of the ~~jewellery product or other~~ product containing recyclable or reclaimable materials.
- b. The entity shall make reasonable enquiry and efforts to determine the seller's ownership of the recyclable or reclaimable material to ensure it is not from an illegitimate source.

ELIGIBLE GRANDFATHERED (LEGACIED) MATERIAL

~~68.1~~ The entity shall have systems in place to ensure that eligible ~~grandfathered~~ legacied material declarations are only issued for

- ~~material~~ gold and platinum group metals refined before 1 January 2012
- silver refined before 1 January 2018.

~~68.2~~ If the refining date does not appear as a permanent part of the item of eligible ~~legacied grandfathered~~ material, the entity shall ensure it obtains and maintains documented evidence of the year the item was produced or minted based on records matched to a serial number or refiner's mark stamped on the item or to some other permanent mark or physical characteristic.

ISSUING CHAIN-OF-CUSTODY DOCUMENTATION

A transfer document shall be issued for each shipment or transfer of CoC material dispatched to other certified entities or certified service companies, in accordance with

[provisions 7 and 8. This document is used as an eligible material declaration to initiate the CoC chain or to record subsequent movement.](#)

ELIGIBLE MATERIAL DECLARATIONS

~~79.1~~ The entity issuing an eligible material declaration in a CoC transfer document shall document the eligible material as one of the following:

- a. Mined, in conformance with provision ~~46~~ of this standard.
- b. Recycled [or reclaimed](#), in conformance with provision ~~57~~ of this standard.
- c. ~~Grandfathered~~ [Legacied](#), in conformance with provision ~~78~~ of this standard. ~~e~~
- d. Mix of mined, recycled, [reclaimed](#), and/or [legacied](#) ~~grandfathered~~, each in conformance with the applicable provisions of this standard.

~~79.2~~ For eligible mined material, the entity shall include in the CoC transfer document: ~~a.~~

- ~~A~~ ~~_____~~ [a](#) conflict-free declaration that identifies if provision ~~64.3a~~, b or c applies.
- ~~a~~ ~~b~~. If provision ~~46.3b~~ applies (the material is located in conflict-affected or high-risk areas but is confirmed as not having adverse impacts), an appendix summarising the entity's due diligence for that material.
- ~~b~~ ~~e~~. If the material is mined, the country or countries where it was extracted.
- ~~c~~ ~~d~~. If the material is mining by-product, the country or countries where it was refined.

~~79.3~~ When initiating a CoC for material that will be mixed with existing CoC material before transfer to another entity, the entity shall record an eligible material declaration in an internal CoC transfer document [or maintain such evidence that proves the eligibility of the material.](#)

~~108~~ CoC [SHIPMENTS AND TRANSFER DOCUMENTS](#)

~~108.1~~ The entity shall ensure that a CoC transfer document accompanies and, wherever possible, is [either](#) physically attached ~~or as a minimum, digitally linked~~ to each shipment or transfer of CoC material dispatched to other certified entities or [certified](#) service companies.

~~108.2~~ The entity shall ensure that CoC transfer documents include all the required information outlined in the template in Annex 1 of this standard.

~~108.3~~ If the CoC transfer document includes supplementary information about the entity, the eligible material or its provenance, the entity shall ensure the supplementary information can be supported by objective evidence.

[8.4 Where the member retains ownership but is sending components to outsourced contractors or service companies, the use of the transfer document may be suspended as long as the details are recorded and traceable in the member's internal systems.](#)

~~119~~ PRODUCT CLAIMS AND INTELLECTUAL PROPERTY

~~119.1~~ If the entity makes claims or representations about CoC material in a jewellery product, these shall be described in written form and shall not include information that is inconsistent with the CoC transfer document(s) ~~supplying~~ [supplied with](#) the CoC material. The entity [making claims to a consumer](#) shall provide an unambiguous indication of how to access the description, which may be on a website, at the point of sale or through any other publicly available communication medium. Claims shall

comply with all applicable law [as well as provision 14 Claims in the Code of Practices Standard](#).

94.2 Claims can be made on jewellery products that include non-CoC components identified for exclusion by the RJC. A [clear and unambiguous](#) description of the CoC components [or components that are non-CoC](#) within the product must be made available to the customer or consumer.

94.3 The entity shall have systems in place to ensure all relevant employees, including sales associates, do not make verbal claims or representations to consumers about CoC material that are inconsistent with the claims or representations described in written form.

94.4 If the entity uses the RJC logo, it shall ensure that it abides by the rules for use of the logo, trademarks and intellectual property. If the entity uses the RJC logo and/or CoC certification stamps in association with jewellery products containing CoC material, it shall ensure that such use clearly applies only to the CoC material.

[10 RETURN AND REINTEGRATION OF CoC MATERIALS](#)

[10.1 The entity shall have systems in place to verify that material sold as CoC and being returned and accepted for reintegration into the CoC pipeline is traceable to specific transactions and transfer documents and that there is no risk that the material being returned has been substituted, modified or adulterated by the inclusion of non-CoC material. -The requirements apply whether ownership of the material has passed to the counterparty or whether material has been supplied on approval or similar arrangement.](#)

[10.2 In the event that all or part of a shipment supplied as CoC is returned by the original counterparty, the member must verify that the material is the same and retain records of the checks made which will include:](#)

- [a. Due diligence of the counterparty.](#)
- [b. Assessment of risk of substitution/modification or adulteration \(this would mean that where the verification relied on tamper evident packaging, only sealed packs can be accepted\).](#)
- [c. Verification of how material was stored while with the counterparty.](#)
- [d. Dates and reference numbers of all relevant transactions.](#)
- [e. Identification numbers \(or other means of identification\).](#)
- [f. Visual identification, including drawings, photographs, markings etc.](#)
- [g. Any other evidence including records of the reasons for the return.](#)

[Returns from a COC certified member shall be clearly documented with the reference of the original transaction, together with a warranty that the material has been in the physical possession of the entity making the return from the time of the original consignment until the point of return and, wherever possible, accompanied by a transfer document.](#)

[10.4 Returns from a non-COC certified member can only be accepted for reintegration in respect of finished products comprising one single component and bearing a unique serial number and shall be clearly documented with the reference of the original transaction, together with a warranty that the material has been in the physical](#)

possession of the entity making the return from the time of the original consignment until the point of return.