

A LAW DECREE NO. 23 OF 1980
PERTINENT TO THE SUPERVISION AND CONTROL
OVER PRECIOUS METALS AND GEMS

Having seen the Amiri Decree issued on 4th Ramadan, 1396 H. corresponding to 29th August 1976, rectifying the Constitution; and

Articles 20 & 154 of the Constitution; and

Law No. 16 of 1960 issuing the Penal Code and the amending Laws thereto; and

Law No. 2 of 1961 promulgating Commercial Law and the amending Laws thereto; and

Law No. 20 of 1976 concerning the Curb of Fraud in Commercial Transactions; and

In pursuance of the representation made by the Minister of Commerce and Industry; and

After the ratification of the Council of Ministers,

WE hereby promulgate the following Law :-

CHAPTER ONE

Definitions

Article (1)

The following terms as specified in this Law shall denote the meaning stated against each :-

1) **The Precious Metals**

Gold, Silver and Platinum whether wrought, semi-wrought or unwrought as well as ingot.

2) **Standard Degree of Purity**

Shall denote the number of particles by weight per 1000 parts of each ingot of a precious metal.

3) **Wrought Precious Metals**

The standard purity of each wrought piece of a precious metal shall not be less than the minimum limit of the legally specified standards in conformity with the provisions of this Law. It includes gold coins that have no legal tender.

4) **Plated Metals**

Shall denote any type of metals plated with precious metals.

5) **Ornamented Metals**

Shall denote any type of metals ornamented with precious metals.

6) **Blend Metals**

Shall denote any type of metals blended by precious metals and gems or by either of them.

7) **Valuable Stones**

Shall denote natural gems and semi gems

8) **Sealing**

Shall mean the sealing operation of precious metals and other type defined in items 3, 4, 5 and 6 of this Article with official distinctive marks or any approved marks showing specifically the type of precious metals and their legal standard.

9) **Unsuitable Adjustment**

Shall mean the addition, change, replacement, repair of wrought or other types after sealing, or adjusting same through other means such as the addition of unsealed parts of the same standard.

CHAPTER TWO

THE AUTHORITIES OF THE MINISTRY OF COMMERCE AND INDUSTRY AND THE LEGAL STANDARDS FOR PRECIOUS METALS

Article (2)

The Ministry of Commerce and Industry shall supervise and control trading, manufacturing and importation of precious metals, relevant wroughts, plated, ornamented and blended metals as well as any valuable stones in the following aspects :-

- a) Test, analysis, seal and control of precious metals, plated, ornamented and blended metals in which precious metals and valuable stones are used.
- b) Analysis and numerate unwrought precious metals, their mixture or ingot presented for test.
- c) Test and control of valuable stones
- d) The Minister of Commerce and Industry shall issue an order specifying types of any wroughts of precious metals exempted from the provisions of this Law.

Article (3)

The standard legal degree of purity of precious metals, wroughts of which are licensed for circulations shall be in the following manner :-

- A) **GOLD:** Standard (Carat 22) shall mean 916.6 parts per 1000 parts
Standard (Carat 21) shall mean 875 parts per 1000 parts
Standard (Carat 18) shall mean 750 parts per 1000 parts
Standard (Carat 24, which is pure gold) shall mean 1000 parts per 1000 parts
- B) **SILVER:** 925 parts per 1000 parts, 800 parts per 1000 parts
- C) **PLATINUM:** 950 parts per 1000 parts

Article (4)

Legal standards purity degree of wrought soldering materials shall be classified as follows :-

a) **Wrought Gold:**

The soldering materials shall be of gold, legal standard of which shall not be less than 750 parts per 1000 parts

b) **Wrought Silver:**

The soldering material shall be of silver, whose legal standard shall not be less than that of the wrought metal.

c) **Wrought Platinum:**

The soldering material shall be of gold, silver, platinum, paladium of an alloy of two metals or more. The degree of purity of the soldering metal shall not be less than 950 parts per 1000 parts.

CHAPTER THREE

Article (5)

Sealing, Sale, Possession and Displaying

Each finished piece of wrought metal whether single or composed of several connected pieces or soldered and which is of the same legal standard not less than the minimum legal standard shall be sealed, provided that no unsuitable adjustment is made, unless it is necessary.

If the relevant test results show that the standard of wrought metals, whether single or sample of the same category, is less than that provided, the importer shall be notified with the results.

The importer may within the period specified ask the Competent Department of the Ministry of Commerce and Industry to seal the metal with the nearest minimum legal standard or otherwise re-export it. In case the importer does not apply or if the wrought metals are below the minimum standard or if he repeats the same thing through three years, wrought item shall be broken and returned to him.

Article (6)

Silver item plated with gold or radium shall be sealed with the silver stamp. Gold or platinum plated with radium shall be sealed with the precious metal stamp conforming with the original wrought metal.

Article (7)

In case that greater than half of the wrought metal weight is composed of specified precious metal, and the other remaining half of another different precious metal of a higher value, the wrought metal shall be sealed with the stamp of the precious metal of the higher weight ratio.

Article (8)

After notifying the importer, the Competent Customs Authority or Post Warehouse Department, shall forward the parcel containing wrought precious metals, valuable stones or any other types subject to the provisions of this Law, imported for commercial purposes, to the concerned authority of the Ministry of Commerce and Industry for test, analysis, sealing or to ensure that it is duly sealed with the relevant approved stamp.

When directly presenting parcels for testing and stamping, the applicant shall confirm that the relevant parcels are legally imported, otherwise the competent authority of the Ministry of Commerce and Industry, before performing any testing or sealing, shall advice the concerned authorities and shall hold the parcel contents as well as the presenter identification documents, pending the necessary action of the competent authorities.

Article (9)

Any nomination or description indicating that the wrought items are totally or partially made from precious metals, shall be prohibited. Selling, displaying or possession for sale of any wrought precious metals, ornamented, blended or plated shall also be prohibited, save it is sealed as specified hereunder:-

- a) Wrought precious metals shall be sealed in accordance with their measurements, using the appropriate legal standard.
- b) Ornamented and blended items shall be sealed with a number indicating the ratio in parts per 1000 parts of pure precious metal it contains together with its type.
- c) Plated items shall be sealed with a word "PLATED". If the sizes of the ornamented, blended or plated items do not permit the aforesaid

sealing, each piece shall be accompanied by a tag stating the said details as well as the name of the shop's owner, written in Arabic.

Article (10)

With exception of the provision of the preceding Article, any official sealing made by any other country may be considered, provided that a decision is issued by the Minister of Commerce and Industry approving such sealing.

Article (11)

A decision made by the Minister of Commerce and Industry may enforce makers of the precious metals using special sealing marks to identify their products, which shall be registered with the Ministry.

Article (12)

Selling, displaying or possessing of valuable stones for the purpose of sale is prohibited, save, it is accompanied by a written document stating the name, description, weight, colour and degree of purity level, properties, soundness against break, scratches as well as specifying any other defects thereof.

Article (13)

The exhibitions of wrought precious valuable stones and other types subject to the provisions of this Law shall be held under a temporary permit issued in accordance with rules and regulations made by the Minister of Commerce and Industry in coordination with the Ministry of Finance. Such permit may exempt exhibited items from sealing or procedures stipulated in Article 12. In case that the items are exhibited for sale, procedures provided for in this Law shall be applied.

CHAPTER FOUR

Punishments

Article (14)

Any person violating the provisions or regulations of this Law shall be punished by imprisonment for a period not more than 6 months, together with a fine not greater than five thousand Kuwaiti Dinars or by either of the two punishments.

Article (15)

Any person making unsuitable adjustments on sealed wrought metals or on any other types of metals, thus altering them from the original standard and any person selling, displaying or possessing for the sale purpose, despite his knowledge of such changes, shall be punished by imprisonment for a period not exceeding 2 years together with a fine not greater than 20,000 (twenty thousand) Kuwaiti Dinars or by either of the two punishments. The Court may close the shop for a temporary period of 6 months.

Article (16)

Whenever committing any crime provided for in this Law, the relevant metals shall be broken and returned to the owner. The owner of the shop and the Manager or the attendant shall be held responsible for any violation of the provisions and regulations of this Law.

Article (17)

In case of recommitting any crime, provided for in this Law within the 5 years following the date of final judgement of the previous crime, punishment shall be doubled, the concerned metals shall be confiscated and the shop shall temporarily be closed for a period not less than 6 months and not more than 2 years.

In case of repeating such a violation for the second time within the period stated in the preceding para of this Article, the shop may finally be closed and licence withdrawn, and the violator may be prohibited not to practice such profession.

Article (18)

The Court may under all circumstances publish fully or briefly, the relevant judgement in the daily papers and magazines; such judgement may also be posted up in places specified by the Court, at the expense of the concerned party.

Article (19)

The Minister of Commerce and Industry shall issue a decision appointing the competent employees to control the implementation of the provisions of this Law, and the relative decisions. The employees shall have the right to enter and inspect shops, warehouses, stores and workshops and places of sale or mortgage and taking sample for test and analysis in order to control violations and draw the necessary reports.

The wrought metals under control shall be kept and safe-guarded until the final judgement is pronounced.

Article (20)

The Minister of Commerce and Industry shall issue any decisions and necessary regulations required for the implementation of this Law, which shall contain in particular the following :-

- a) Specifying the legal official standard of sealing marks for precious metals, the relevant wrought items and any other items subject to the provisions of the Law.
- b) Approving the official seal marks of other countries.
- c) Fixing any charges, due against test, analysis, sealing, numerating and issuance of certificates.
- d) The terms and procedure of sealing
- e) Methods of test, analysis, sealing and blending of valuable stones, precious metals and all relevant wrought items as well as ornamented, blended, plated items and products in which precious metals are used.

Article (21)

The Prime Minister and Ministers each within his jurisdiction shall enforce this Law which shall be operative after six months from the date of its publication in the Official Gazette, save the preceding Article to be effective the date of its publication.

**AMIR OF KUWAIT
JABER AL AHMAD AL SABAH**

**PRIME MINISTER
SAAD AL ABDULLA AL SABAH**

**MINISTER OF COMMERCE AND INDUSTRY
ABDUL WAHAB YOUSUF AL NAFEESI**

Issued at Sief Palace on 7th Jamad Al-Akhr, 1400 H.
Corresponding to 22nd April, 1980 A.D.

**AN EXPLANATORY MEMORANDUM OF THE LAW DECREE
CONCERNING SUPERVISION AND CONTROL OVER PRECIOUS METALS
AND GEMS**

The local business activities in the line of gems, jewellery, gold, silver and platinum finished and semi-finished products for possession or sale have increased enormously and become very active, the case which necessitated the intervention of the legislator to set provisions for controlling any transactions relating to these precious metals and valuable stones. To achieve such purpose, a Law on Supervision and Control over the aforesaid metals has been promulgated, covering within its first Article definition of certain terms, while the second Article defines the powers delegated to the Ministry of Commerce and Industry to control and supervise trade, import and process of precious metals including wrought items whether plated, ornamented or blended as well as all types of valuable stones.

The third Article determines the legal standard of purity degree, while the fourth Article stipulates the provisions concerning the purity degree of soldering metals, depending on the type used.

In accordance with Article five, each finished piece of wrought metals having the same legal standard which is not less than the relevant legal minimum, shall be sealed, provided that any unsuitable adjustment shall not be made thereupon, save if required. The second para states the actions required to be taken whenever the results of the analysis reveal that any item is below the standard specified by the owner. However, a unified judgement duly applicable to all wrought metals, whether locally made or imported is observed under this Article.

Article 6 deals with the type of seals which shall be impressed upon plated items, while Article 7 deals with wrought metal over 50% of its weight is composed of specified precious metal, and the balance is made of another different precious metal of the higher ratio.

Articles 8, 9, 10, 11, 12 and 13 cover control, supervision, Customs' inspection and prohibition of any nomination or description of any wrought items whether totally or partially unless such items are properly sealed.

Article 10 stipulates the regulations of wrought items, with exception of some foreign countries which seal their products provided that an approval is obtained from the Minister of Commerce and Industry. Article eleven provides for use of special marks by local shops to identify their wrought items.

As for the sale of precious stones, Article 12 provides for the prohibition of the same unless they are accompanied with a written declaration, specifying in detail all relevant data.

Articles 14, 15 and 16 provide for the penalty to be inflicted in the event of this Law violation.

Since such violations affect the local market, confidence in the area of this products, Article 17 hereof raises the punishment gradually to the extent of closing the shop and withdrawing the relevant licence. Article 18 may declares judgement in press.

Article 19 stipulates that the Minister of Commerce and Industry shall appoint competent employees to control and supervise the implementation of this Law.

As the application of this Law shall require certain executory procedure for identification of the official impress marks of the legal standard, as well as the relevant inspection, tests and analysis, Articles 20 and 21 stipulate that, the Minister of Commerce and Industry shall issue all necessary rules and regulations.

This Law shall be effective within a period of six months following the date of its publication in the Official Gazette.

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In the Name of Allah, the Beneficent, the Merciful

Law No. 5 of 1995 amending certain provisions of
Law Decree No. 23 of 1980 concerning
Supervision and Control of Precious Metals and Gems

Having persued the Constitution; and

The Law No. 16 of 1960 promulgating the Penal Code and its amending laws; and

Law No. 17 of 1960 promulgating the Penal & Trial Procedure Code and all its amending laws thereof; and

Law No. 20 of 1976 suppressing cheating in commercial dealings duly amending by Law No. 2 of 1980; and

The Law Decree No. 23 of 1980 concerning supervision and control of precious metals and gems; and

The Law Decree No. 68 of 1980 promulgating the Commercial Law and all its amending laws thereof; and

The National Assembly has ratified the Law of following provisions which we hereby sanction and promulgate:

ARTICLE (1)

The provisions of Articles 3, 4, 5, 7 and 15 of the Law Decree No. 23 of 1980 referred to hereof shall be substituted by the following text:

Article (2)

The legal standards of precious metals purity grade works of which are duly licensed to be traded shall be in the manner specified against each hereunder:

a) **Gold**

Standard 22 Carats denotes 916.6 ppt (shares or parts of each 1000 parts)

Standard 21 Carats denotes 875 ppt (shares or parts of each 1000 parts)

Standard 18 Carats denotes 750 ppt (shares or parts of each 1000 parts)

The pure gold of 24 Carats is considered to be 1000 ppt (parts of a thousand)

b) **Gold bullion**

Gold bullion standard 24 carats denotes 999.9 ppt (shares or parts of each 1000 parts)

Gold bullion standard 24 carats denotes 999 ppt (shares or parts of each 1000 parts)

Gold bullion standard 24 carats denotes 995 ppt (shares or parts of each 1000 parts)

c) **Silver**

925 (ppt) or a part of each 1000 parts

800 (ppt) shares or a part of each 100 parts

d) **Silver Bullion**

Silver bullion standard 24 carats denotes 999.9 ppt (shares or parts of each 1000 parts)

Silver bullion standard 24 carats denotes 999 ppt (shares or parts of each 1000 parts)

Silver bullion standard 24 carats denotes 995 ppt (shares or parts of each 1000 parts)

e) **Platinum**

950 (ppt) shares or a part of each 1000 parts

The Minister of Commerce and Industry may define the differential rates in the part of a share upon testing the relevant precious metal works and gems.

Article (4)

The legal criteria standards of worked items raw material shall be in the following manner :-

- a) If the worked items are made of gold, the relevant welding material shall be made of gold too as follows:-

Gold standard

22 caret standard 916.6 shares

21 caret standard 875 shares

18 caret standard 750 shares

Welding standard

not less than 840 shares

not less than 750 shares

not less than 750 shares

- b) If the worked items are made of silver, the relevant welding material shall be made of silver too but the legal standard of which shall not be less than the worked item standard.
- c) If the worked material is made of palladium the relevant welding material shall be made of gold, silver, platinum, palladium or a mixture of two or more of the same, provided that the purity degree of the relevant welding material shall not be less than 950 (ppt) part of each one thousand parts.
- d) Cutting of worked item for analysis purposes shall not be made from a welded place, save in the event of necessity to analyze the welding material.

Article (5)

Each worked item whether singly made or it is combined of several parts, linked or welded shall be hallmarked if it is made of the same legal standard which shall not be less than the minimum legal standards and it should be completely finished to the extent that no further modification shall be made thereon by the reason of sales processing, save when it is necessitated by the professional principles provided that the whole marking shall be made in an artistic manner not causing any serious damage or changing the shape of the worked item.

If it has been realized after applying the relevant analysis that the standard of the worked items whether it is a single piece or a sample of a worked items collection in conformity with less than the fixed standard applied by the person concerned, then such a person shall be notified of the analysis outcome on the basis of which he may apply the pertinent hallmarking within the period specified by the Ministry of Commerce and Industry, under a request it shall be legally hallmarked by a lower legal standard which is quite close to the pertinent outcome or it shall be re-exported if it is an imported item; but if the worked items have proved to be under the fixed standard, then they shall be returned to the person concerned bearing in mind that the owner of the workshop locally made the worked item shall be held liable if the workshop mark is found on such item in the event of a violation. Consequently the shop owner shall not be held liable for the pertinent consequences unless otherwise is established.

If such act is repeated within the same year the following shall be applicable:-

1. If the worked items are locally made, they shall be hallmarked with the nearest legal standard of the pertinent outcome and returned to it.
2. In the event of important works the person concerned shall be notified of the analysis outcome and shall be requested to re-export or hallmark the same with the outcome nearest standard.

In all cases if such default-act is repeated twice within a three year period, the relevant worked items shall be destroyed if they are locally made or re-exported in the event of import.

Article (7)

- 1) If more than a half of the worked items' weight is made of a certain precious metal and the rest of the worked item is made of another precious metal more valuable than the first one, then the worked item shall be hallmarked with the precious metal of the larger ratio of the worked item.
- 2) If the worked item is made of a precious metal combined with a precious metal of a less value or gems of semi precious stones, the seller shall specify the weight of the worked item precious metal in the pertinent sale invoice.

As for a metal of a lesser precious value and standard and gems of semi-gems, they shall be within the weight of worked item provided that the nature and kind of the metal a lesser or standard and the relevant gems of the worked item are clearly stated and specified.

Article (15)

Punishable by a term of imprisonment for not less than six months and not more than one year and a fine not less than K.D. 5,000 but not more than K.D. 10,000 or by either of the said two penalties each defaulter who causes any considerable modification in any of precious metal works or any other pertinent items after been appropriately hallmarked to an extent under which they shall not conform with the pertinent hallmarking standard. The same punishment shall also be applicable to any person who sells, offers for sale or transacts such items while he has been well aware of the said hallmarking process.

ARTICLE (2)

A new Article under No. 19 B is of the following text shall be added to the Law Decree No. 23 of 1980 referred to hereof :-

The public prosecution shall assume the required investigation, action and prosecution in all violations relating from the application of this law provisions.

ARTICLE (3)

All Ministers, each within his jurisdiction, shall implement this Law.

Amir of Kuwait
JABER AL AHMAD AL SABAH

Issued at Bayan Palace on 2nd Ramadan, 1415 H.
Corresponding to 1st Feb. 1995 A.D.