

# CODE OF ETHICS AND BUSINESS PRACTICE (COEBP)

## 1. INTRODUCTION

Singapore Jewellers Association (SJA) developed a set of Trade Code of Practice as operational guidelines for the jewellery industry in September 1999, with the objectives of injecting retail confidence in jewellery retailing and protecting the interests of both the members and consumers.

Jewellers in Singapore have been enjoying good reputation both locally and internationally, and the Association acknowledges the importance of the industry to constantly upgrade in order to uphold the good trade reputation.

With the implementation of the amended 2nd Hand Dealers Act (which was renamed as 2nd Hand Goods Dealers Act) in the 1st Quarter of Year 2006, the Association works closely with the Licensing Division of the Singapore Police Force (SPF) to strengthen its rules and practices with the aim of helping the SPF to track down any stolen jewellery, preventing them from changing hands illegally.

In year 2007, SJA incorporated a few international recommendations to help combat money laundering and terrorist financing.

A set of Code of Ethics and Business Practice (COEBP) was developed; and a Disciplinary Sub-Committee was set up to oversee the operation of the COEBP in 2008.

With the launch of the Lemon Law and the Singapore Standard SS 581: 2012 Fineness And Marking Of Articles Of Precious Metal on 1 September 2012 and 22 January 2013 respectively, the Association aims to safeguard the quality of jewellery in Singapore by integrating both the Lemon Law and Singapore Standard in its COEBP under a new name known as the Code of Ethics and Best Practice (COEBP).

To campaign for good corporate social responsibility, the Association works closely with the SPF by disseminating Police alerts such as the description of stolen goods and modus operandi, etc to all members.

## 2. OBJECTIVES

### 2.1

The objective of the guidelines is to set up and maintain a self-regulated, credible and effective system. The system is intended to encourage fair competition among members and to provide reliable service and accurate product information to customers. As a result, customers can have added confidence when buying jewellery and thus enhance the image of this trade.

### 2.2

To work closely with government agencies, test laboratories and the Consumers Association of Singapore (CASE) to set benchmarks for the gold jewellery industry aiming for excellence; and associating SJA members with a brand which represents a prestigious hallmark of quality.

### 2.3

To work closely with the Singapore Police Force to keep crime rate at its lowest possible level.

## 3. MEMBERS' RESPONSIBILITIES

### 3.1

Members of the Singapore Jewellers Association must abide by the professional standards through adoption and adherence to the Code of Ethics and Best Practice (COEBP), which represents the guiding principles governing the conduct of all members.

### 3.2

Members of the Singapore Jewellers Association are committed to maintaining the highest standards of honesty, fairness, professionalism and quality service.

### 3.3

If members fail to comply with the COEBP, the Association reserves the right to suspend or revoke their membership.

## 4. DEFINITION

### 4.1

“Association” refers to Singapore Jewellers Association or SJA.

### 4.2

“Members” refers to members of the Singapore Jewellers Association.

### 4.3

“Committee” refers to the Disciplinary Sub-Committee of Singapore Jewellers Association.

### 4.4

“COEBP” refers to the Code of Ethics and Best Practice.

### 4.5

“Advertisement” refers to all means of communication through the media, including written, print, audio, visual and electronic, telecommunication.

### 4.6

“Remedial Action” refers to action that aims to resolve the dispute, such as rectification or withdrawal of the relevant advertisement, compensation to the customer etc.

### 4.7

“Gem Stones” refers to:

4.7.1 naturally occurring material which can be made into handicraft

4.7.2 naturally occurring material which can be made into jewellery

4.7.3 naturally occurring material desired for its beauty

Examples: diamond, ruby, sapphire, emerald and jade etc.

4.8

“Precious metal” refers to metal which contains gold, and/or platinum:

All gold jewellery with fineness of 916 and above should carry the sponsor’s and the fineness marks. The former refers to the stamp of the member which is selling the precious metal and the latter refers to the number of parts by weight of fine gold or platinum in 1000 parts by weight of metal.

4.9

“Man-made Stones” refer to stones created from a laboratory environment and not naturally mined regardless of whether they are made from natural ingredients.

If man-made stones are sold, the receipt should carry the word “synthetic” or “imitation”.

4.10

“Treatment of natural gem stones and jade” refers to:

4.10.1 treatment methods which are generally accepted by the trade and need not be disclosed: heat treatment of corundum (ruby and sapphire); use of colourless oil in treating emeralds; waxing of jade.

4.10.2 treatments which must be disclosed: fracture filling with glass; colour alteration by irradiation; diffusion; use of chemical or other colour agents; laser drilling; HPHT treatment; and all other treatments which are not generally accepted by the trade.

## 5. BUSINESS PRACTICES (FAIR TRADING)

### 5.1

#### Supply Conditions

##### 5.1.1 Receipt

The Receipt should clearly describe the jewellery sold.

a) All gold jewellery of 916 or above (based on the “Singapore Standard SS 581:2012) must be clearly described in the receipt in terms of its specifications and items such as nett weight, fineness and unit price. If workmanship has been charged, the phrase “inclusive of workmanship” should be stated in the workmanship column. Other details like GST and total price must also be stated.

Items listed below are not included in the above rule:

- i) Display decorative gold item.
- ii) Gold item set with foreign material which form part of permanent design.

b) Other precious metals must have the fineness recorded in the receipt.

c) All jewellery set with gemstones like diamond, ruby, sapphire, emerald, jade, pearl, semi-precious stones, etc. must have the trade name of the gemstone and weight clearly recorded in the receipt.

d) If the gemstones sold are treated by methods not accepted by the industry, the receipt should carry the word “treated”.

e) If man-made stones are sold, the receipt should carry the word “synthetic” or “imitation”.

f) GST, if any should be recorded in the receipt.

### 5.1.2 Warranty / Refund / Exchange

- a) Singapore's Lemon Law came into force with effect from 1 September 2012. Under the Lemon Law, if jewellery purchased is found to be defective within six (6) months, consumers have the legal rights to either request from members to repair, or replace defective product.
  
- b) If members are unable to repair or replace the jewellery within a reasonable time, or if repair and replacement is impossible or costs are disproportionate, consumers may ask for a reduction in price or return the product for a refund.
  
- c) However, consumers are NOT entitled to any form of recourse if:
  - i) They damaged the item, or
  - ii) They misused it and caused the fault, or
  - iii) They tried to repair it themselves or had someone else try to repair it, which damaged the item, or
  - iv) They knew about the fault before they bought the goods, or
  - v) They simply changed their mind and no longer want the item, or
  - vi) The fault was caused by wear and tear by the consumer, and not an inherent defect.
  
- d) Members will not be held liable for defects or product limitations which are :
  - i) Specifically pointed out to consumers before the transaction. For clarity, members may document such defects and limitations on the sales contract, invoice or packaging; or
  - ii) Obvious and ought to be revealed by a visual inspection, if consumers were given an opportunity to inspect the goods before purchasing.

### 5.1.3 Repurchase of gold jewellery

a) On a willing buyer and willing seller basis, the member may repurchase the gold jewellery sold by him. The gold jewellery should be accompanied by a receipt as proof of purchase.

b) Members are required to document the personal particulars of the sellers when payment is made by cash during any trade-in/buy back.

### 5.1.4 Deposit

a) Available stock

The deposit and accompanying conditions must be clearly written in the receipt. If the jewellery is not collected within the stipulated period, the deposit would be forfeited and the member has the right to sell the said piece of jewellery.

b) Customised stock

If the customised jewellery is not collected within the stipulated period/date indicated on the receipt, the deposit and the jewellery would be forfeited.

c) GST on Deposit

According to IRAS, when members collect deposits from customers, GST needs to be charged at the time of payment if the deposit is non-refundable.

### 5.1.5 Repair/Setting/Customisation

a) Members must convey to their customers the cost and time frame for repair or setting. The description of the jewellery must be clearly stated in the receipt/delivery order.

b) To get customers' endorsement on the receipt to verify the information stated. A copy of the receipt should be given to customers.

c) To keep customers updated on the status of repair, if there are any changes.

d) For any loss or damage during the course of the repair or setting, the member must compensate the customer according to its company policy or agreement. If the loss or damage is caused by war and riot, no compensation shall be given.

#### 5.1.6 Weighing of Gold Jewellery

a) To use appropriate weighing instruments approved by SPRING Singapore with valid Accuracy Label / Seal and to have the weighing instrument verified annually by approved vendors.

b) To weigh the gold jewellery upon customer's request after confirmation of purchase.

c) The weight of the gold jewellery should not include the weight of the attached price tag and/or label. In the event where the tag/label is attached for security concern, the weight of a similar tag/label would be taken in the presence of customers and deducted from total weight accordingly.

#### 5.1.7 Gold Fineness

To ensure that the actual gold fineness complies with the fineness marked on the gold jewellery.

#### 5.1.8 Gold Loss

Gold loss due to vaporisation during manufacturing process and/or customary levy by craftsmen in the process of manufacturing, should be inclusive under workmanship, it does not constitute part of the net weight of the said jewellery article.



#### 5.1.9 Gift Voucher

To clearly state the terms and conditions applicable to the redemption of gift vouchers.

### 5.2

#### Goods & Services

5.2.1 To offer goods and services of satisfactory quality as defined in the Sales of Goods Act S14(2) and Lemon Law in the Consumer Protection (Fair Trading) Act.

### 5.3

#### Pricing & Payment

5.3.1 To clearly state the payment methods and channels available to customers.

5.3.2 To clearly display discounted prices and state the terms and conditions for discounted prices.

5.3.3 To clearly state additional charges for extra services such as alterations, repairs, and express delivery.

### 5.4

#### Promotion and Advertisement

5.4.1 The prices stated in the advertisement must be clear and without ambiguity; and to sell what is advertised and promoted.

5.4.2 The content of the advertisement must be true, and not misleading and to ensure that its marketing communications include sufficient details on prices, quality, availability and terms of sales or business.

5.4.3 Members must carry sufficient stock and if necessary, submit documentary evidence to prove that there is sufficient stock in the inventory list for sale during the promotion.

5.4.4 To clearly state the period for which promotions are valid.

5.4.5 To clearly spell out the details of the mechanism for any lucky draw or promotions.

5.4.6 Members must obtain prior written approval from the Singapore Jewellers Association before the logo of the Association can be used in the advertisement.

## 5.5

### PSPM Act:

5.5.1 Under the Precious Stones and Precious Metals (Prevention of Money Laundering and Terrorism Financing) Act (PSPM Act), all regulated dealers must register with the Registrar of Regulated Dealers in order to carry on a business of dealing in precious stones, precious metals or precious products, unless they are excluded or exempted.

Regulated Dealers are required to implement and comply with the following requirements under the PSPM Act and the Precious Stones and Precious Metals (Prevention of Money Laundering and Terrorism Financing) Regulations 2019:

- a) To perform Customer Due Diligence ("CDD") and/or Enhanced Customer Due Diligence ("ECDD") measures under prescribed circumstances, in addition to the existing requirement to do so for cash transactions **above S\$20,000**;
- b) To file Cash Transaction Reports ("CTR") with the Suspicious Transaction Reporting Office ("STRO") for cash and cash equivalent transactions exceeding S\$20,000, via STRO Online Notices and Reporting platform ("SONAR") account;
- c) To file Suspicious Transaction Report ("STR") with STRO where there is suspicion of Money Laundering/ Terrorism Financing (ML/TF);

- d) To keep relevant documents and information for a period of five (5) years after the date of transaction;
- e) To conduct ongoing monitoring of transactions by periodically reviewing the information and documents obtained as a result of the CDD measures.

For more information, please visit <https://acd.mlaw.gov.sg>.

## 5.6

### Store Policy:

5.6.1 Members shall have a set of clearly written and relevant store policies to disclose their Business Practices to their customers.

5.6.2 Members shall display this information prominently in the store.

## 5.7

### Customers' Confidentiality

#### 5.7.1 Customers' Particulars

Members shall ensure confidentiality of customers' personnel information at all times and comply to the Personal Data Protection Act.

5.7.2 Members shall maintain a system not to divulge customers' information to a third party.

## 5.8

### External Communication

5.8.1 Members shall inform SJA immediately in writing of any change in the ownership of the business, management representative, addition of branches, change of business contacts etc.

## 6. ETHICS & PROFESSIONAL CONDUCT

### 6.1

Members must uphold the reputation and respect of the jewellery industry by maintaining the highest possible ethical standards in their business dealings.

### 6.2

Each member must uphold the ethical standards, principles and practices of the Association and acknowledge the necessity of compliance for the success of our industry and the Association.

### 6.3

Members are expected to keep and maintain the highest possible standards, even in cases not specifically mentioned or addressed by this COEBP.

### 6.4

Members recognise that the jewellery industry is dependent upon the element of trust for its success. Members must protect the welfare of their clients by pursuing their best interest and representing their products and services in an honest manner. They are required to disclose all relevant information at their best discretion and practise the highest possible degree of professionalism within the industry.

### 6.5

The COEBP serves to educate, inspire and unite our members, and form the basis for specific Rules which all members have agreed to abide by:

6.5.1 strive to be good corporate citizens and contribute to the communities in which they do business when formulating corporate policies and management decisions

6.5.2 strive to improve their professionalism and expertise, as individuals and as an organisation, at all times

6.5.3 conduct their business with honesty, sincerity, and integrity at all times

6.5.4 understand that the keeping of promises and fulfilment of commitments to all parties is important

6.5.5 strive to protect the industry and inform customers against fraud, misrepresentation, and unethical Business Practices

6.5.6 adhere to all local laws applicable to the jewellery industry

6.5.7 refrain from making statements about a competitor or another member of the industry, or about the competitors or members' reputation, merchandise or Business Practices which that member knows to be false, misleading, disparaging or defamatory

6.5.8 refrain from making statements out of sheer malice or reckless disregard for whether they are false, misleading, disparaging or defamatory. A member may however, truthfully state his or her opinion by fully setting forth the basis for this opinion

6.5.9 refrain from intentionally misrepresenting the nature, authenticity, and / or origin of a merchandise

6.5.10 refrain from engaging in any illegal, unethical, false, misleading or deceptive Business Practices designed to come within the letter of the law but would have the effect of deceiving clients or purchasers

6.5.11 adopt advertising and selling practices in compliance with the rules and guidelines set forth by the Association

6.5.12 advertising or promotions offering comparative prices or savings should clearly and conspicuously disclose the basis for such claims, and should be prepared to voluntarily substantiate their claims to a neutral party, if challenged

6.5.13 fulfil all conditions of their guarantee or service policies, as represented to their customers

6.5.14 make every effort possible to ensure that they do not deal in Conflict diamonds. They have notified their vendors that they would not knowingly deal in conflict diamonds and they have trained the staff in their stores to be as knowledgeable as possible on this matter.

## 7. SERVICE BENCHMARK OF SALES

### 7.1

Members should provide accurate, timely and comprehensive product and service information to customers with acceptable good service standard. Examples of product information required are:

7.1.1 Whether the product is natural, synthetic or imitation

7.1.2 Weight

7.1.3 Metal fineness

7.1.4 Trade name of gem stones

### 7.2

Members should provide the following pricing information:

7.2.1 Pricing policies

7.2.2 Discount policies

7.2.3 Any incidental charges

### 7.3

Members should record the personal particulars of the sellers when payment is made by cash during any trade-in/ buy-back. The member is required to verify the particulars by checking the identity card/passport of the seller.

### 7.4

Members should provide training to sales personnel regarding product information, customer service and administrative procedures including the buy-back/trade-in.

### 7.5

Members should train sales personnel to strictly adhere to Customer Due Diligence especially when dealing with any high value cash transactions; to identify suspicious transactions; and on how to report to CAD.

## 8. ADMINISTRATION OF COEBP

### 8.1

Organisational structure of the Disciplinary Sub- committee

8.1.1 The sub-committee shall consist of the following:

- President
- 1st Vice President
- 2nd Vice President
- Honorary Secretary and Assistant Honorary Secretary
- Honorary Treasurer and Assistant Honorary Treasurer
- Two Member Relations Officers

The meeting shall have at least five (5) persons + the President to form a quorum.

8.1.2 If a meeting is called by the committee to deal with complaints involving any of the Sub-Committee members (e.g. the President, 1st Vice-President, 2nd Vice-President, Hon. Secretary and Hon. Treasurer etc), the member concerned is not allowed to attend the meeting.

8.1.3 The responsibility of the committee is to assess the degree of seriousness of any complaint which might have breached the COEBP.

8.1.4 Decisions and Resolutions would be passed by a vote of simple majority by members present at the meeting. The chairman would cast the decisive vote in the event of a tie.

## 8.2

### Surveillance Measures

8.2.1 The Association reserves the right to conduct spot check on its members. Members who do not abide by the COEBP would be penalised as stated in clause 8.3.3.

## 8.3

### Handling of Complaints / Disputes / Penalty

#### 8.3.1 Handling of Complaints

Once a complaint is received by the Association, the Secretariat staff would contact the member concerned. If the dispute cannot be resolved within 28 days upon receipt of the complaint, the matter would be handed over to the Disciplinary Sub-committee.

8.3.2 The Disciplinary Sub-committee would notify the member concerned in writing to obtain more information and a resolution proposal from him. If the member is unable to submit an acceptable proposal to resolve the complaint or if he is unwilling to settle the dispute within the next 14 days, the committee shall deem it necessary to call for a meeting to discuss the nature and extent of the complaint. If the committee opines that the member has violated the COEBP, it would notify the member in writing to take remedial action within 30 days of the notification, failing which the committee would impose disciplinary action against the member.



### 8.3.3 Penalty

If the sub-committee opines that the member has violated the COEBP, the member would be subjected to the following penalties:

- a) A written warning would be issued for the first violation.
- b) To suspend or revoke membership if the said member violates the COEBP on more than two occasions within a 12-month period.
- c) The committee reserves the right to terminate the membership of the said member immediately if the violation is severe and detrimental to the entire industry.

## 8.4

### Review of COEBP

8.4.1 The Sub-committee would review the clauses in the COEBP periodically and recommend necessary changes to the Association's Executive Committee.

8.4.2 All changes must be formally approved by the Executive Committee of the Association.