

**FEDERAL LAW**  
**NO. 41-FZ OF MARCH 26, 1998**  
**ON PRECIOUS METALS AND PRECIOUS STONES**  
**(with the Amendments and Additions of March 31, 1999, January 10, 2002,**  
**January 10, 2003)**

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The present Federal Law lays down the legal grounds for the regulation of relations, arising in the sphere of the geological study of and of the prospecting for the deposits of precious metals and of precious stones, of their extraction, production, use and circulation (civil turnover); among other things, it shall:

- delineate the sphere of operation of the state monopoly;
- set down the goals, the principles and the specifics of the state regulation of the activities of legal and of natural persons;
- establish the authority of the state power bodies of the Russian Federation and of the state power bodies of the subjects of the Russian Federation;
- determine the terms for the functioning of the market of precious metals and of precious stones on the territory of the Russian Federation;
- establish the status of the federal assay supervision, of the State Fund of precious Metals and of Precious Stones of the Russian Federation, of the gold reserve stock of the Russian Federation and of the state funds of precious metals and of precious stones of the subjects of the Russian Federation;
- define the principal kinds and the major forms of the state control over the geological study of

and the prospecting for precious metals and for precious stones, and also over their extraction, production, use and turnover.

The legislative (representative) bodies of the subjects of the Russian Federation shall have the right to adopt, in conformity with the present Federal law, the laws and other legal normative acts on the issues of the state regulation of relations in the sphere of the geological study of and of the prospecting for the deposits of precious metals and of precious stones, and of their extraction, with the exception of the issues, referred to the currency regulation.

The procedure for the performance by the citizens (by natural persons) of the deals in the jewellery and in the other everyday-use articles, made of precious metals and of precious stones, which are in the ownership (which are the private property) of the citizens (of natural persons), shall not be seen as the subject of regulation by the present Federal Law.

## Chapter I. General Provisions

### Article 1. Basic Concepts

The following basic concepts shall be applied in the present Federal Law:

- **the precious metals** - gold, silver, platinum and the metals of the platinum group (palladium, iridium, rhodium, ruthenium and osmium). The present list of the precious metals may be changed only by a federal law. The precious metals may be in any state or form, including in the native and in the refined form, as well as in the form of raw materials, of alloys, of semi-finished articles and of manufactured goods, in chemical compounds, in the jewellery and in the other kinds of articles, in coins, in the scrap and in the production and the consumption wastes;

- **the precious stones** - natural diamonds, emeralds, rubies, sapphires and alexandrites, as well as natural pearls, both rough (natural) and treated. To the precious stones shall be also referred, in accordance with the procedure, established by the Government of the Russian Federation, the unique formations of amber. The present list of the precious stones may be changed only by a federal law;

[Decision of the Government of the Russian Federation No. 8 January 5, 1999 approved the Procedure for Classifying Unique Amber Formations As Precious Stones](#)

- **the valuables** - precious metals and (or) precious stones;

- **the extraction of precious metals** - the extraction of precious metals from the primary (metalliferous), the placer and the technogenic deposits, with obtaining the concentrates and other intermediate products, containing precious metals;

- **the extraction of precious stones** - the extraction of precious stones from the primary, the placer and the technogenic deposits, as well as the sorting out, the primary classification and the primary estimation of precious stones;

- **the sorting out and the primary classification of precious stones** - the consummating stage in the process of the dressing, which permits, on the ground of the approved collections of the model samples and of the classifiers, to set apart precious stones from the extracted raw minerals and to sort them out into separate grades, corresponding to those accepted on the world market;

- **the primary estimation of precious stones** - the final stage in the technological process of the dressing, which ensures the estimation of the precious stones on the basis of the price lists, applied in the estimation of the similar kinds of rough minerals on the world market;

- **the production of precious metals** - the separation of precious metals from the extracted complex ores, from the concentrates and from the other intermediate products, containing precious metals, and also from the scrap and from the wastes, containing precious metals; the refining of precious metals;

- **the refining of precious metals** - the process of clearing the separated precious metals from the admixtures and from the associated components, the bringing up of the precious metals to the quality level, corresponding to the state standards and to the technical conditions, operating on the territory of the Russian Federation, or to the international standards;

- **the recuperation of precious stones** - the separation of precious stones from the tools and

from the other articles, intended for industrial purposes, which have been used up or withdrawn from operation because of the other reasons, and also from the wastes, containing precious stones, with subsequently bringing them up (refining) to the quality level, corresponding to the technical conditions or to the rough diamond classifier;

- **the use of precious metals and of precious stones** - the use of precious metals and of precious stones for the production, the scientific research and the socio-cultural purposes;

- **the special accounting** - keeping a register of the organizations and of the individual businessmen, performing operations in precious metals and in precious stones, which does not presuppose the collection of a fee for the entry of the said organizations and individual businessmen into this register;

- the operations (transactions) in precious metals and in precious stones:

- the actions, expressed in the transfer of the right of ownership and of the other property rights to precious metals and to precious stones (the turnover of precious metals and of precious stones), including their use as a pledge;

- the change of the physical state or of the content of precious metals and of precious stones in any substances and materials, in the course of the extraction and the production of precious metals and of precious stones, and in the course of their further processing, treatment and use;

- the shifting of precious metals and of precious stones, and also of the products, made of them, including the transportation of precious metals and of precious stones, and of the products, made of them, to the places of storage, to the funds and to the stocks, as well as the storage and the exposition of precious metals and of precious stones;

- the import of precious metals and of precious stones, and of the products, made of them, to the territory of the Russian Federation, and their export from the territory of the Russian Federation.

## **Article 2.** The Right of Ownership to Precious Metals and to Precious Stones

**1.** The issues, involved in the possession, the use and the disposal of the plots of the earth bowels, containing precious metals and precious stones, shall be in the joint management of the Russian Federation and of the subjects of the Russian Federation. The demarcation between the Russian Federation and the subjects of the Russian Federation of the ownership to the said objects shall be effected in conformity with the [Constitution](#) of the Russian Federation and with the [Law](#) of the Russian Federation on the Mineral Resources, by the present Federal Law and by the other federal laws, regulating the issue of the use of the mineral resources.

**2.** The Russian Federation shall possess sovereign rights and shall administer the jurisdiction over the plots of the continental shelf of the Russian Federation, containing [precious metals](#) and precious stones, in conformity with the [Constitution](#) of the Russian Federation, with the [legislation](#) of the Russian Federation on the continental shelf, with the [legislation](#) of the Russian Federation on the mineral resources, with the present Federal Law, with the international treaties of the Russian Federation, and with the generally recognized principles and norms of international law.

**3.** The subjects of the extraction of precious metals and of precious stones, indicated in [Article 4](#) of the present Federal Law, may receive the plots of the earth bowels, containing precious metals and precious stones, into their use on the ground of the licenses for the extraction of precious metals and of precious stones, issued to them in conformity with the [legislation](#) of the Russian Federation on the mineral resources.

**4.** The [precious metals](#) and the [precious stones](#), extracted from the earth bowels, as well as the other products and incomes, lawfully derived in the course of the extraction of precious metals and of precious stones, shall be seen as the property of the subjects of the extraction of precious metals and of precious stones, unless otherwise established in the licenses for their extraction or in the contracts of delivery, including in the contracts for the delivery of products for the federal needs, concluded with the participation of these subjects, as well as in the international treaties of the Russian Federation.

The owner of the unlawfully extracted precious metals and precious stones shall be the Russian Federation.

**5.** The refined precious metals in the standard form, as well as the precious stones, extracted from the earth bowels or recuperated, shall be offered in the sorted out form, when sold by the

subjects of their extraction and production, in the following order of priority:

1) to the specially authorized federal executive power body, for the replenishment of the State Fund of Precious Metals and of Precious Stones of the Russian Federation;

2) to the authorized executive power bodies of the subjects of the Russian Federation, on whose territories these precious metals and [precious stones](#) were extracted, for the replenishment of the corresponding state funds of precious metals and of precious stones of the subjects of the Russian Federation. The bodies and the organizations, listed in Subitems 1 and 2 of the present Item, shall enjoy the priority right to the purchase of precious metals and of precious stones only under the condition of an advanced (no less than three months prior to the supposed date of purchase for precious metals) conclusion of the purchase and sale contracts on precious metals and on precious stones with the subjects of their extraction and production, and of the prepayment (of making an advance payment) against the payments, due from these bodies and organizations according to the said contracts. The non-fulfilment by any one or by both Parties of the terms of the concluded purchase and sale contract on precious metals and on precious stones shall entail the consequences, established by [Article 21](#) of the present Federal Law and by [Part 1 of the Civil Code](#) of the Russian Federation.

**6.** The precious metals and the precious stones, acquired in accordance with the procedure, established by the legislation of the Russian Federation, may be kept in the federal ownership, in the ownership of the subjects of the Russian Federation, in the municipal ownership, and also in the ownership of legal and natural persons. The owners of precious metals and of precious stones shall exercise their right of ownership to the precious metals and to the precious stones in conformity with the present Federal Law, with the [Civil Code](#) of the Russian Federation and with the [Law](#) of the Russian Federation on the Currency Regulation and on the Currency Control, and to the precious stones, pointed out in [Item 3 of Article 22](#) of the present Federal Law - in conformity with the Civil Code of the Russian Federation and with the federal legislation, without the restrictions, imposed by the [Law](#) of the Russian Federation on the Currency Regulations and on the Currency Control, and by the present Federal Law.

The Russian Federation and the subjects of the Russian Federation shall enjoy the right of priority in concluding contracts on the acquisition into their ownership of the extracted and the produced precious metals and precious stones with the subjects of their extraction and production, for the purposes of the replenishment of the State Fund of Precious Metals and of Precious Stones of the Russian Federation, of the gold reserve stock of the Russian Federation and of the state funds of precious metals and of precious stones of the subjects of the Russian Federation.

### **Article 3.** The Exchanges of Precious Metals and of Precious Stones

**1.** In the Russian Federation are operating the exchanges of precious metals and of precious stones, intended for the legal and for the natural persons to perform the deals, involved in the turnover:

- of the standard and of the measured bars of the refined precious metals;
- of the untreated precious stones, which have passed the sorting out;
- of the treated precious stones, which have passed the certification;
- of the nuggets of precious metals;
- of the articles, made of precious metals and of precious stones, with the exception of the jewellery and of the everyday-use articles, made of precious metals and of precious stones;
- of the intermediate products, containing [precious metals](#);
- of the coins, containing precious metals;

**2.** The order of the activity of the exchanges of precious metals and of precious stones shall be established by the Government of the Russian Federation, on the ground of the present Federal Law, of the [Law](#) of the Russian Federation on the Currency Regulation and on the Currency Control, of the [Law](#) of the Russian Federation on the Commodity Exchanges and on the Exchange Trade, and of the federal laws.

[Federal Law No. 15-FZ of January 10, 2003 amended Article 4 of this Federal Law](#)

[See the previous text of the Article](#)

**Article 4.** The Subjects of the Extraction and of the Production of Precious Stones and of Precious Metals

1. The [extraction](#) of precious metals and the [extraction of precious stones](#) may be performed exclusively by the organizations, which have obtained special permits (licenses) in accordance with the procedure, established by the present Federal Law and by the other federal laws.

2. The Russian Federation, the subjects of the Russian Federation and the organizations, set up without the participation (direct or indirect) of foreign citizens, of the stateless persons and of foreign legal entities, shall possess the majority of votes in the decision-making of the management bodies of the organizations, engaged in an activity, involved in the extraction of rough diamonds on the territory of the Russian Federation.

3. The temporary base extraction may be applied in the extraction of precious metals and of precious stones, with the exception of rough diamonds, by all the organizations, irrespective of their legal-organizational forms, including by the artels of temporary base prospectors. The temporary base extraction shall be interpreted as the method for organizing the works, aimed at the extraction of precious metals and of precious stones, under which the workers are sent away from the places of their permanent residence for a term of over four months. This method does not involve an expenditure of the means from the corresponding budget for setting up and for maintaining the social infrastructure objects at the place of the performance of the said works. The state encourages the temporary base extraction of precious metals and of precious stones.

4. The [refining of precious metals](#) may be done only by the organizations, in accordance with the list, approved by the Government of the Russian Federation.

5. The right of legal entities to perform an activity, involved in the extraction of precious metals and of precious stones, shall arise from the moment of their obtaining the corresponding license, and shall exist until the end of the latter's term of validity.

**Chapter II. The State Funds and Stocks of Precious Metals and of Precious Stones**

**Article 5.** The Federal Fund of the Reserve Deposits of Precious Metals and of Precious Stones

1. The Federal Fund of the Reserve Deposits of Precious Metals and of Precious Stones shall be created for the purposes of regulating the volumes of the extraction of precious metals and of precious stones, and also for the purposes of satisfying in the future the need of the Russian Federation in precious metals and in precious stones.

2. Into the Federal Fund of the Reserve Deposits of Precious Metals and of Precious Stones shall be included the individual prospected deposits of precious metals and of precious stones, kept on the state [records](#) and not passed over into the use, or those withdrawn from the use.

3. The decision on including the individual prospected deposits into the Federal Fund of the Reserve Deposits of Precious Metals and of Precious Stones, shall be adopted by the President of the Russian Federation, jointly with the state power bodies of the subjects of the Russian Federation.

4. The disposal of the Federal Fund of the Reserve Deposits of Precious Metals and of Precious Stones shall be the prerogative of the Government of the Russian Federation in accordance with the procedure, laid down by the [legislation](#) of the Russian Federation on the mineral resources. The terms for the use of the prospected deposits of precious metals and of precious stones, included into the Federal Fund of the Reserve Deposits of Precious Metals and of Precious Stones, shall be agreed with the executive power bodies of the subjects of the Russian Federation, on whose territory the said deposits are situated.

**Article 6.** The State Fund of Precious Metals and of Precious Stones of the Russian Federation

1. The State Fund of Precious Metals and of Precious Stones of the Russian Federation shall be seen as a part of the gold currency reserves of the Russian Federation and shall comprise an

aggregate of the precious metals and of the precious stones, and also of the articles, made of them, which have been received from the sources, enumerated in [Item 3](#) of the present Article.

The State Fund of Precious Metals and of Precious Stones of the Russian Federation shall pursue the goal of providing for the production, the financial, the scientific research, the socio-cultural and the other needs of the Russian Federation. The [valuables](#), entered into the State Fund of Precious Metals and of Precious Stones of the Russian Federation, shall be seen as the federal property.

The official and the production buildings, structures and premises, used for the storage, for the accepting and for the servicing of the valuables in the State Fund of Precious Metals and of Precious Stones, shall be seen as the federal property and shall not be subject to any form of alienation, including the privatization. The said objects may be given out in rent or otherwise burdened only by the decision of the Government of the Russian Federation.

The Regulations on the State Fund of Precious Metals and of Precious Stones of the Russian Federation shall be approved by the Government of the Russian Federation.

**2.** The decisions on the replenishment and on the expenditure of the valuables from the State Fund of Precious Metals and of Precious Stones shall be taken by the President of the Russian Federation and by the Government of the Russian Federation.

**3.** The State Fund of Precious Metals and of Precious Stones of the Russian Federation may be replenished by:

- the precious metals and the precious stones, acquired from the subjects of the market of precious metals and of precious stones at the expense of the means from the federal budget, including on the contracts of delivery, concluded by the said objects with the organizations, engaged in [refining](#) precious metals;

- the unique nuggets of precious metals and the unique precious stones, acquired from the subjects of the extraction of precious metals and of precious stones at the expense of the means from the federal budget;

- the precious metals and the precious stones, the articles, made of them, and the scrap of such articles, forcibly withdrawn in the law-established order;

- the articles, made of precious metals and of precious stones, acquired from the organizations, which are engaged in buying up such articles;

- the precious metals and the precious stones, the articles, made of them, and the scrap of such articles, acquired from the population;

- the scrap and the wastes of precious metals and of precious stones;

- the hoards of precious metals and of precious stones, of the articles, made of them, and of the scrap of such articles;

- the ownerless precious metals and precious stones, the articles, made of them and the scrap of such articles;

- the precious metals and the precious stones, the articles, made of them, and the scrap of such articles, passed over to the state by the right of inheritance and of gift;

- the state awards of the former USSR, made of precious metals and of precious stones, intended for granting, in accordance with the established procedure, to the rewarded persons (to the lawful representatives of the rewarded persons), or subject to being passed over into the state storage in conformity with the legislation of the Russian Federation on the state awards;

- the gifts, made of precious metals and of precious stones, received by the citizens of the Russian Federation in connection with their state activity;

- the precious metals and the precious stones, as well as the articles, made of them, which are entered into the State Fund of Precious Metals and of Precious Stones of the Russian Federation on the other grounds, laid down by the legislation of the Russian Federation.

**4.** The precious stones shall be acquired into the State Fund of Precious Metals and of Precious Stones of the Russian Federation in the sorted out form, with the exception of the individual cases, envisaged by the legislation of the Russian Federation.

The procedure for exerting the state control over the standard of the [sorting](#) out and of the [estimation](#) of precious stones shall be established by the Government of the Russian Federation.

*Decision of the Government of the Russian Federation No. 371 of April 5, 1999 approved Rules of Exercise of State Control Over the Quality of Assortment and Evaluation of Gems*

5. The means, directed towards the acquisition of the valuables into the State Fund of Precious Metals and of Precious Stones of the Russian Federation, shall be subject to an obligatory recording in the expenditures of the federal budget.

6. The specially authorized federal executive power body shall submit to the President of the Russian Federation a report on the replenishment and on the expenditure over the financial year of the valuables from the State Fund of Precious Metals and of Precious Stones of the Russian Federation. Simultaneously with the report on the execution of the federal budget, the Government of the Russian Federation shall also submit to the State Duma of the Federal Assembly of the Russian Federation a report on the replenishment and on the expenditure over the financial year of the valuables from the State Fund of Precious Metals and of Precious Stones of the Russian Federation, as well as the consolidated indices, characterizing the general state of the State Fund of Precious Metals and of Precious Stones of the Russian Federation.

**Article 7.** The Diamond Fund of the Russian Federation

1. The Diamond Fund of the Russian Federation shall be seen as a component part of the State Fund of Precious Metals and of Precious Stones of the Russian Federation, which is in fact a collection of the unique nuggets of precious metals and of the unique precious stones of a historical and of an artistic value, as well as a collection of the unique jewellery and of the other kinds of articles, made of precious metals and of precious stones.

The Regulations on the Diamond Fund of the Russian Federation shall be approved by the President of the Russian Federation in conformity with the present Federal Law.

2. The Diamond Fund of the Russian Federation shall be indivisible, it shall be seen as the federal property and shall not be subject to any form of alienation and to the other kind of burdening, including to being given out in rent. The valuables from the Diamond Fund of the Russian Federation may be used exclusively for the purposes of the exhibition or of the scientific study in the Russian Federation and outside of the territory of the Russian Federation in accordance with the procedure, established by the Government of the Russian Federation.

3. The entry of the valuables from the State Fund of Precious Metals and of Precious Stones of the Russian Federation into the Diamond Fund of the Russian Federation shall be effected by the decision of the Government of the Russian Federation.

The specially authorized federal executive power body shall organize the carrying out of a preliminary expert examination of the valuables, which are supposed to be entered into the Diamond Fund of the Russian Federation, their recording, storage and restoration; it shall also organize, on the commission of the Government of the Russian Federation, the exhibitions of the valuables from the Diamond Fund of the Russian Federation.

**Article 8.** The Gold Reserve Stock of the Russian Federation

1. The gold reserve stock of the Russian Federation, consisting of the refined gold in bars, which is in the federal ownership and is a part of the gold-currency reserves of the Russian Federation, shall serve to help implement the financial policy of the state and satisfy the urgent needs of the Russian Federation in case of the emergency situations.

2. The part of the gold reserve stock of the Russian Federation, kept in the Central Bank of the Russian Federation, shall be recorded on the latter's accounts. The decision on expending this part of the gold reserve stock of the Russian Federation shall be taken by the Central Bank of the Russian Federation in accordance with the procedure, agreed with the Government of the Russian Federation. A report on the state of the part of the golden reserve stock of the Russian Federation, recorded on the accounts of the Central Bank of the Russian Federation, shall be submitted by the Central Bank of the Russian Federation to the State Duma as a component part of the report of the Chairman of the Central Bank of the Russian Federation on the activity of the Central Bank of the Russian Federation.

**3.** The part of the gold reserve stock of the Russian Federation, kept in the State Fund of Precious Metals and of Precious Stones of the Russian Federation, shall be recorded on the accounts of the specially authorized federal executive power body. The decision on the expenditure of the part of the gold reserve stock of the Russian Federation, which is kept in the State Fund of Precious Metals and of Precious Stones of the Russian Federation, shall be adopted in conformity with [Article 23](#) of the present Federal Law.

**Article 9.** The State Funds of Precious Metals and of Precious Stones of the Subjects of the Russian Federation

**1.** The state funds of precious metals and of precious stones of the subjects of the Russian Federation may be set up in agreement with the Government of the Russian Federation. The state funds of precious metals and of precious stones of the subjects of the Russian Federation may be used in conformity with the decisions of the state power bodies of the subjects of the Russian Federation and shall be seen as the property of the subjects of the Russian Federation.

**2.** The state funds of precious metals and of precious stones of the subjects of the Russian Federation shall be formed at the expense of the means from the budgets of the subjects of the Russian Federation through the acquisition of precious metals and of precious stones from the subjects of the market of precious metals and of precious stones with account for the world market prices, in conformity with the procedure, laid down by the legislation of the Russian Federation, and shall be recorded on a separate line in the budgets of the subjects of the Russian Federation. The means, received by the subjects of the Russian Federation from the federal budget in the form of transfers and of dotations, shall not be seen as a source for the formation of the state funds of precious metals and of precious stones of the subjects of the Russian Federation.

**3.** The use of the state funds of precious metals and of precious stones of the subjects of the Russian Federation shall be effected in accordance with the procedure, laid down by the state power bodies of the subjects of the Russian Federation, in conformity with the legislation of the Russian Federation.

**4.** A report on the situation with the state funds of precious metals and of precious stones of the subjects of the Russian Federation shall be annually submitted by the executive power bodies of the subjects of the Russian Federation to the Government of the Russian Federation.

The situation with the state funds of precious metals and of precious stones of the subjects of the Russian Federation may be checked up by an ad hoc commission, created by the specially authorized executive power bodies in agreement with the authorized executive power bodies of the given subject of the Russian Federation, in agreement with the authorized executive power bodies of the given subject of the Russian Federation and with the participation of the representatives of these bodies. The procedure for carrying out the said check-ups shall be established by the Government of the Russian Federation.

**Chapter III. The State Regulation of Relations in the Sphere of the Geological Study and of the Prospecting for the Deposits of Precious Metals and of Precious Stones, of Their Extraction, Production, Use and Turnover**

**Article 10.** The Goals and the Methods of the State Regulation of Relations in the Sphere of the Geological Study and of the Prospecting for the Deposits of Precious Metals and of Precious Stones, of Their Extraction, Production, Use and Turnover

**1.** The state regulation of relations in the sphere of the geological study and of the prospecting for the deposits of precious metals and of precious stones, of their extraction, production, use and turnover, as well as of the procurement of the scrap and of the wastes of precious metals and of precious stones, shall be effected for the purposes of conducting the state policy, aimed at stimulating the extraction and the production of precious metals and of precious stones, the development of the market of these valuables and their rational use for the socio-economic

development of the Russian Federation and of the subjects of the Russian Federation, while taking into account the specific properties of precious metals and of precious stones.

2. The state regulation of the said relations shall be effected by way of:

- the licensing of the use of the plots of the earth bowels, containing precious metals and [precious stones](#);

- the priority right to the acquisition of precious metals and of precious stones for the State Fund of Precious Metals and of Precious Stones of the Russian Federation, and for the formation of the gold reserve stock of the Russian Federation and of the state funds of precious metals and of precious stones of the subjects of the Russian Federation;

- the formulation of the [demands](#), made on the [recording](#), on the storage and on the transportation of precious metals and of precious stones, and also on the reports on them, as well as on the procedure for performing operations in precious metals and in precious stones;

- the legal-normative regulation of the actions, performed by the organizations and by the individual businessmen, engaged in the [operations in precious metals and in precious stones](#) on the internal and on the external markets; the special recording of the said organizations and individual businessmen;

- the exertion of control over the observation of the legislation of the Russian Federation in the sphere of the geological study of and of the prospecting for the deposits of precious metals and of precious stones, of their extraction, production, use and turnover;

*[Federal Law No. 15-FZ of January 10, 2003 excluded paragraph 7 of Item 2 of Article 10 of this Federal Law](#)*

- ~~- the licensing of the individual kinds of activity in the sphere of the production, the use and the turnover of precious metals and of precious stones;~~

- the definition by the President of the Russian Federation of the order for the import and for the export of precious metals and of precious stones;

*See [Regulations on Importation to the Russian Federation and Exportation from the Russian Federation of Rough Natural Diamonds and Brilliants](#), endorsed by [Decree of the President of the Russian Federation No. 1373 of November 30, 2002](#)*

*On the temporary importation of goods containing precious metals and precious stones for being shown at exhibitions, see [Letter of the State Customs Committee of the Russian Federation and the Ministry of Finance of the Russian Federation Nos. 01-06/34044 and 32-75-002-15/415 of November 23, 2000](#)*

- organizing a system of the state control over the quality of the [sorting](#) out, of the classification and of the [estimation](#) of the untreated natural diamonds, extracted or imported to the territory of the Russian Federation;

- launching the state control over the prices on [precious stones](#) by approving the obligatory classifiers and pricing lists, similar to those currently applied on the world market;

- the special procedure for exerting the customs control over the import to the territory of the Russian Federation and over the export from the territory of the Russian Federation of precious metals and of precious stones, as well as of the articles, made of them;

*On specialized customs posts for clearance of precious metals and precious stones, see [Decision of the Government of the Russian Federation No. 15 of January 8, 1998](#), [Order of the State Customs Committee of the Russian Federation No. 158 of March 10, 1999](#) and [Order of the State Customs Committee of the Russian Federation No. 1005 of September 11, 2003](#)*

*On the provisional procedure for the customs clearance of rough natural diamonds, cut diamonds and refined precious metals see [Order of the State Customs Committee of the Russian Federation No. 158 of March 10, 1999](#)*

*On customs clearance of refined gold and silver see [Order of the State Customs Committee of the Russian Federation No. 861 of September 22, 2000](#)*

- defining the procedure for the certification of precious metals, of the treated precious stones and of the articles, made of them;
- the compilation of a list of the organizations, engaged in refining precious metals.

*The [List of Organizations Authorized to Effect the Refining of Precious Metals](#) was approved by [Decision of the Government of the Russian Federation No. 972 of August 17, 1998](#)*

3. In the Russian Federation there has been established the state monopoly on the assaying and on the hallmarking with the state assay hallmark of the jewellery and of the other everyday-use articles, made of precious metals, as well as the state monopoly on the regulation of the export of the untreated diamonds.

4. The state regulation of relations in the sphere of the geological study of and of the prospecting for the deposits of precious metals and of precious stones, of their extraction and production, shall be effected by the state power bodies of the Russian Federation and by the state power bodies of the subjects of the Russian Federation. The powers of the state power bodies of the Russian Federation and of the state power bodies of the subjects of the Russian Federation in the performance of the state regulation of the said relations, shall be established by the present Federal Law, and also by the legislation of the Russian Federation and by the legislation of the subjects of the Russian Federation.

**Article 11.** The Powers of the Government of the Russian Federation in Regulating Relations in the Sphere of the Geological Study of and of the Prospecting for the Deposits of Precious Metals and of Precious Stones, of Their Extraction, Production, Use and Turnover

The Government of the Russian Federation, in conformity with the present Federal Law and with the other federal laws, shall:

1) provide for conducting in the Russian Federation a uniform state policy in the sphere of the geological study of and of the prospecting for the deposits of precious metals and of precious stones, of their extraction, production, use and turnover, as well as for the procurement of the scrap and of the wastes of precious metals and of precious stones;

2) approve, in conformity with the federal laws, the plans for the formation of the State Fund of Precious Metals and of Precious Stones of the Russian Federation and for the issue of the valuables from it, and the report on the replenishment and on the expenditure of the [valuables](#) from this Fund over the financial year;

*See the [Provisional Regulations on the Procedure for the Issue of Valuables from the State Fund of Precious Metals and of Precious Stones of the Russian Federation](#), approved by the [Decision of the Government of the Russian Federation No. 46 of January 19, 1998](#)*

[Federal Law No. 15-FZ of January 10, 2003 amended Subitem 3 of Article 11 of this Federal Law](#)  
[See the previous text of the Subitem](#)

3) define the procedure for licensing the individual kinds of activity in the use of the plots of the earth bowels for the purposes of the geological study of and of the prospecting for the deposits of precious metals and of precious stones, and also for the purposes of their extraction with the exception of the [procedure](#) for the issue by the bank of licenses on the performance of banking operations in precious metals and in precious stones, and of the other kind of operations in precious metals and in precious stones, which shall be laid down by the Central Bank of the Russian Federation in conformity with the federal laws.

*The Procedure for the Performance by the Bank of Russia of Transactions with Noble Metals and*

for Reflecting Them on the Bookkeeper Accounts was established by [Regulations](#) of the Central Bank of Russia No. 97-P of November 16, 1999 which is not to be published in "Vestnik Banka Rossii" journal

4) it shall also lay down:

- the procedure for the recording and for the storage of precious metals and of precious stones, as well as of the articles, made of them, and also the procedure for making reports on the above;

[Decision](#) of the Government of the Russian Federation No. 731 of September 28, 2000 endorsed the [Rules](#) of Keeping Account and Storing Precious Metals, Precious Stones and Products Made from Them as Well as Reporting Related Thereto

- the procedure for exerting the state control over the quality of the [sorting](#) out and of the [estimation](#) of precious stones;

[Decision](#) of the Government of the Russian Federation No. 371 of April 5, 1999 approved [Rules](#) of Exercise of State Control Over the Quality of Assortment and Evaluation of Gems

- the procedure for the acquisition and for the entry of the valuables into the State Fund of Precious Metals and of Precious Stones of the Russian Federation;

- the procedure for the formation of the State Fund of Precious Metals and of Precious Stones of the Russian Federation;

- the procedure for the issue of the valuables from the State Fund of Precious Metals and of Precious Stones of the Russian Federation, and that for making the payment for them;

- the procedure for checking up the situation with the State Fund of Precious Metals and of Precious Stones of the Russian Federation, and with the state funds of precious metals and of precious stones of the subjects of the Russian Federation;

- the procedure for the assaying and for the hallmarking of the articles, made of precious metals and of precious stones;

On the procedure for the assaying and marking of articles of precious metals see [Decision](#) of the Government of the Russian Federation No. 643 of June 18, 1999

See the [Regulations](#) on the Assaying and on the Hallmarking of the Articles, Made of Precious Metals, in the Russian Federation, approved by the [Decree](#) of the President of the Russian Federation No. 1152 of October 2, 1992, and the Instructions on the Exertion of the Assay Supervision, approved by the Order of the State Committee of Russia for Precious Stones and Metals, No. 182 of June 23, 1995

- the list of the works, for which the assay payment (the assay fee) shall be charged;

The [List](#) of Works for Which an Assay Payment (Assay Fee) Is Collected was approved by [Decision](#) of the Government of the Russian Federation No. 201 of February 20, 1999

- the procedure for carrying out an economic and legal expert examination of the draft international treaties of the Russian Federation and of the draft agreements of the subjects of the Russian Federation with the subjects or with the administrative-territorial entities of foreign states and with foreign legal entities in the sphere of the extraction, production, use and turnover of precious metals and of precious stones;

5) shall exert the other powers, imposed upon it by the Constitution of the Russian Federation, by the federal laws and by the Decrees of the President of the Russian Federation.

**Article 12.** The Authority of the State Power Bodies of the Subjects of the Russian Federation in the Sphere of the Geological Study of and of the Prospecting

for the Deposits of Precious Metals and of Precious Stones, of Their Extraction, Production, Use and Turnover

Under the authority of the state power bodies of the subjects of the Russian Federation in the sphere of the geological study of and of the prospecting for the deposits of precious metals and of precious stones, of their extraction, production, use and turnover shall be referred:

1) the formation and the use of the state funds of precious metals and of precious stones of the subjects of the Russian Federation;

2) the acquisition of precious metals and of precious stones for the formation of the state funds of precious metals and of precious stones of the subjects of the Russian Federation;

3) the realization of precious metals and of precious stones from the state funds of precious metals and of precious stones of the subjects of the Russian Federation on the internal and on the external markets in accordance with the procedure, laid down by the legislation of the Russian Federation and by the President of the Russian Federation;

4) in conformity with the [Law](#) of the Russian Federation on the Mineral Resources, with the legislation of the Russian Federation and with the legislation of the subjects of the Russian Federation, the licensing of the use of the plots of the earth bowels for the purposes of the geological study of and of the prospecting for the deposits of precious metals and of precious stones, and of their extraction, with the exception of the plots of the earth bowels, included into the federal fund of the reserve deposits of precious metals and of precious stones;

5) the implementation, jointly with the federal bodies, of the state control over the activity of the organizations in the sphere of the geological study of and of the prospecting for the deposits of precious metals and of precious stones, of their extraction, production, use and turnover on the corresponding territories (with the exception of the federal assay supervision);

6) the other powers, defined in the agreements, in accordance with the [Constitution](#) of the Russian Federation, on the demarcation of the objects of maintenance and of the authority between the state power bodies of the Russian Federation and the state power bodies of the subjects of the Russian Federation.

*On the demarcation of the objects of maintenance and of the authority between the state power bodies of the Russian Federation and the state power bodies of the subjects of the Russian Federation, see the reference*

### **Article 13.** The Federal Assay Supervision

1. The federal assay supervision shall be effected for the purposes of protecting the rights of the consumers of the jewellery and of the other everyday-use articles, made of precious metals and of precious stones, and the rights of the manufacturers of these articles from an unfair competition, and also to protect the interests of the state.

2. The federal assay supervision shall incorporate:

1) the assaying, analyzing and hallmarking with the state assay hallmark of all the jewellery and the other everyday-use articles, made of precious metals by the domestic producers, as well as of the said articles, imported to the territory of the Russian Federation for the realization;

2) an expert examination of the imprints of the state assay hallmarks;

3) the control analyses and the technical expertise of precious metals, of the products, made of them, and also of the scrap and of the wastes of precious metals;

4) an expert examination and the diagnostics of precious metals;

5) an expert examination in conformity with the decisions of the inquest bodies, of the investigator, of the public prosecutor, of the court and of the arbitration court;

6) an expert examination of the museum and the archive articles, made of precious metals and of precious stones, as well as control over ensuring the preservation of the said objects;

7) the state certification of precious metals, of precious stones and of the products, made of them;

8) the special recording of the organizations, including the military units and the military formations, as well as of the individual businessmen, performing [operations in precious metals and in](#)

[precious stones](#);

9) a permanent state control over the [production](#), extraction, treatment, use, storage and recording of precious metals and of precious stones in the organizations, indicated by the Government of the Russian Federation;

10) a periodical state control over the production, extraction, treatment, use, storage and recording of precious metals and of precious stones in all organizations, engaged in the said activities, including the military units and the military formations, as well as by the individual businessmen, performing operations in precious metals and in precious stones.

**3.** The assay payment (the assay fee) shall be collected for the performance of the assaying, of the analyses and of the hallmarking with the state assay hallmark of the jewellery and of the other everyday-use articles, made of precious metals, for carrying out an expert examination, for making an analysis of the materials, and for an expert examination and the diagnostics of precious stones. The amount of the assay payment (of the assay fee) shall be fixed by the Government of the Russian Federation.

*The [List of Works for Which an Assay Payment \(Assay Fee\) Is Collected was approved by Decision of the Government of the Russian Federation No. 201 of February 20, 1999](#)*

**4.** A part of the assay payment (of the assay fee) shall go to provide for an activity, involved in the performance of the state assay supervision, and the rest of this payment (fee) shall be entered into the revenue of the federal budget. The amount of the means, allocated to provide for an activity, involved in the federal assay supervision, shall be approved by the federal law on the federal budget.

**Article 14.** Certification of Precious Metals, of Precious Stones and of the Articles, Made of Them

**1.** In the Russian Federation shall be effected the certification of precious metals, of precious stones and of the articles, made of them.

The certification of precious metals, of precious stones and of the articles, made of them, shall be interpreted as an activity, aimed at confirming their correspondence to the established qualitative and quantitative characteristics, and to the technical demands.

**2.** To confirm the said correspondence, a certificate shall be issued, while the products shall be marked, in the cases, established by the certification systems, with the mark of conformity.

**3.** The list of the kinds of products, the forms of the certification and the cases, when these kinds of products shall be subject to certification, shall be defined by the Government of the Russian Federation. The duty to organize the works, involved in the performance of the said certification, shall be imposed upon the specially authorized federal executive power body.

*See the [List of the Types of Precious Metals, Precious Stones and Products Thereof That Are Subject to Certification in the Russian Federation approved by the Decision of the Government of the Russian Federation No. 372 of April 5, 1999](#)*

**Chapter IV. The State Permit System**

[Federal Law No. 15-FZ of January 10, 2003 amended Article 15 of this Federal Law](#)  
[See the previous text of the Article](#)

**Article 15.** Licensing in the Sphere of the Geological Study of and of the Prospecting for the Deposits of Precious Metals and of Precious Stones, of Their Extraction

**1.** In the Russian Federation, the geological study of and the prospecting for the deposits of precious metals and of precious stones, their extraction, shall be performed on the ground of licenses.

**2.** The licensing of the use of the plots of the earth bowels, containing [precious metals](#) and

precious stones, shall be effected in conformity with the Law of the Russian Federation on the Mineral Resources and with the other federal laws, regulating the issues, involved in the use of the mineral resources.

Federal Law No. 66-FZ of March 31, 1999 reworded Item 3 of Article 15 of this Federal Law  
See the previous text of the Item

**3.** Organizations specified in Article 4 hereof shall carry out extraction of gems and precious metals on their own or on a contractual basis with other organizations. Organizations carrying out extraction of gems and precious metals within the framework of contract between them, shall hold, each of them, required licenses for types of activities as specified by this Federal Law and other legislative acts.

Federal Law No. 15-FZ of January 10, 2003 reworded Item 4 of Article 15 of this Federal Law  
See the previous text of the Item

**4.** The accomplishment of bank transactions in precious metals and precious stones shall be subject to licensing.

Federal Law No. 15-FZ of January 10, 2003 excluded Article 16 of this Federal Law

#### ~~Article 16. The Content of the License~~

~~1. The license shall supply the following data:~~

- ~~-the name of the body, which has issued it;~~
- ~~-the name and the place of location of the person, to whom it is issued;~~
- ~~-the grounds for its issue;~~
- ~~-the kind of the licensed activity;~~
- ~~-the information on the place of the performance of the licensed activity;~~
- ~~-the term of its validity;~~
- ~~-the territory, on which the licensed activity shall be permitted;~~
- ~~-the terms of its operation;~~
- ~~-the list of the documents, enclosed to the license, which shall be inalienable parts thereof.~~

~~The license may be supplemented with the other data, if this follows from the demands of the present Federal Law, of the legislation of the Russian Federation and of the legislation of the subjects of the Russian Federation.~~

~~2. The printed forms for the licenses shall be protected against the forgery, shall possess the registration No. and the accounting series. The acquisition, accounting and storage of these printed forms shall be effected by the state bodies, authorized for the issue of licenses.~~

Federal Law No. 15-FZ of January 10, 2003 amended Article 17 of this Federal Law  
See the previous text of the Article

#### **Article 17. Organizational Provisions for the System of Licensing**

**1.** The licensing of an activity in the sphere of the geological study of and of the prospecting for the deposits of precious metals and of precious stones, of their extraction shall be effected by the executive power bodies of the Russian Federation and by the executive power bodies of the subjects of the Russian Federation in conformity with the present Federal Law, with the legislation of the Russian Federation and with the legislation of the subjects of the Russian Federation, regulating the procedure for the performance of the relevant kinds of activity.

**2.** The federal body for the management of the state funds of the mineral resources and of its territorial subdivisions, jointly with the executive power bodies of the subjects of the Russian Federation and in conformity with the legislation of the Russian Federation on the mineral resources, shall perform the licensing of the use of the plots of the earth bowels for the purposes of the geological study of the mineral resources and of the prospecting for the deposits of precious metals and of precious stones, and also for the purposes of the extraction of precious metals and of precious

stones.

**3.** The Central Bank of the Russian Federation shall perform the licensing of the operations of banks and of the other credit institutions in precious metals and in precious stones in conformity with the federal laws.

Federal Law No. 15-FZ of January 10, 2003 excluded Article 18 of this Federal Law

~~Article 18. The Procedure for the Issue of Licenses~~

~~1. The procedure for licensing the kinds of activity in the sphere of the production, the use and the turnover of precious metals and of precious stones, shall be established by the Government of the Russian Federation and by the executive power bodies of the subjects of the Russian Federation within the scope of their powers, defined by the present Federal Law, by the legislation of the Russian Federation and by the legislation of the subjects of the Russian Federation.~~

~~2. To obtain a license, the applicant shall submit to the state body, authorized to issue the licenses, an application for granting him the right to engage in a certain kind (kinds) of activity, involved in precious metals and in precious stones, and enclose the documents, certifying:~~

~~1) the legal status of the subject of the declared activity and the place of his state registration;~~

~~2) the description of the territory of the declared activity, of the location of the official and the production buildings, of the structures and the premises, with an enclosure of the relevant documents, plans and schemes;~~

~~3) the correspondence of the official and the production buildings, of the structures and the premises to the normative demands for ensuring the security of precious metals and of precious stones;~~

~~4) the existence of the professional training and of the financial possibilities for the performance of the declared activity.~~

~~This list may be amended by the legislation of the Russian Federation and by the legislation of the subjects of the Russian Federation.~~

~~3. An ultimate time limit for adopting the decision on the issue of the license shall be fixed by the rules for licensing the corresponding kinds of activity, but shall in any case not exceed 30 days from the date of submitting the application, mentioned in Item 2 of the present Article. The license shall be issued to the applicant within a term of ten days from the date of taking such decision.~~

~~4. The issue of the license may be refused, if:~~

~~1) the applicant has supplied a deceitful information on himself;~~

~~2) the applicant has failed to submit the proofs of the financial possibility, of the professional training or of the technical and technological preparedness for the performance of the declared activity;~~

~~3) the applicant has failed to submit the documents, confirming the technical strength of the production buildings, structures and premises that would guarantee the security of the valuables.~~

~~The motivated decision on the refusal to issue the license shall be directed to the applicant in written form within three days from the date of adopting such decision. The applicant may appeal against the said decision with the court.~~

**Article 19. The Grounds for the Termination, Suspension or Restriction of the License Validity**

**1.** The termination, the suspension or the restriction of the validity of a license for the use of a plot of the earth bowels for the purposes of the geological study of and of the prospecting for the deposits and of the extraction of precious metals and of precious stones, shall be effected in conformity with the Law of the Russian Federation on the Mineral Resources.

Federal Law No. 15-FZ of January 10, 2003 amended Item 2 of Article 19 of this Federal Law  
See the previous text of the Item

**2.** The operation of the license on some kind of activity in the sphere of the extraction of precious metals and of precious stones may be terminated, suspended or restricted by the state body, which

has issued this license, only in the following cases:

- 1) the expiry of the term of the license validity;
- 2) the appearance of a direct threat to the life or to the health of the people, working or residing in the zone of impact of the kind of activity, indicated in the license;
- 3) the violation of the license terms;
- 4) the violation by the license owner of the rules and of the norms, established by the legislation;
- 5) the setting in of the emergency situations;
- 6) the liquidation of the organizations;
- 7) the failure on the part of the license owner to start the performance of the activity, envisaged in the license, within the fixed term;
- 8) if the declared activity violates or makes impossible to fulfil the state obligations by the international treaties of the Russian Federation. If the state obligations by the international treaties of the Russian Federation arise after the issue of the license, the state shall be obliged to recompense the losses, inflicted by the termination of the declared activity.

In the other cases, the termination, the suspension or the restriction of the license validity shall be effected by an agreement with the license owner, or by the court decision.

**3.** The owner of the license shall be notified in written form about the termination, the suspension or the restriction of the license validity by the state body, which has issued this license.

The decision on the termination, on the suspension or on the restriction of the license validity may be appealed against with the court. If the court recognizes the adopted decision to be unjustified, it may fix the amount of and the procedure for the compensation of the losses, inflicted upon the license owner.

## **Chapter V. The Use and the Turnover of Precious Metals and of Precious Stones**

**Article 20.** Disposal of the Extracted and of the Produced Precious Metals and Precious Stones

*Federal Law No. 5-FZ of January 10, 2002 amended Item 1 of Article 20 of this Federal Law  
[See the previous text of the Item](#)*

**1.** The extracted and the produced precious metals, with the exception of precious metal nuggets, shall be forwarded, after the necessary treatment, for [refining](#) to the organizations, which have been entered into the [list](#), approved by the Government of the Russian Federation. The right of ownership to the precious metals after refining shall belong to their initial owners, unless otherwise stipulated by the terms of the deals. The work schedule of the organizations, engaged in refining precious metals, as well as the way of payment for the services, rendered by these organizations, and the ultimate term for performing the refining shall be established by the Government of the Russian Federation.

*The [Procedure](#) of Work of Organizations Engaged in Refining of Precious Metals was approved by [Decision](#) of the Government of the Russian Federation No. 972 of August 17, 1998*

The procedure for performing operations in the mineral raw materials, containing [precious metals](#), before the refining on the territory of the Russian Federation shall be laid down by the Government of the Russian Federation.

*See the [Procedure](#) for the Performance of the Operations with Mineral Raw Materials Containing Precious Metals, before Refining approved by [Decision](#) of the Government of the Russian Federation No. 1419 of December 1, 1998*

Ores of precious metals of primary deposits, sands of precious metals of placer deposits, ores and sands of precious metals of technogenous deposits, concentrates of precious metals, gold and

platinum bullion, Dore alloy, precious metals in the form of cathode metal and zinc sediments, and also precious metal-containing ores, sands, concentrates, ash of non-ferrous metals and semi-products of non-ferrous metal production may be brought out of the Russian Federation (brought into the Russian Federation) under conditions and in the manner which shall be determined by the President of the Russian Federation.

2. The precious metals and the precious stones shall be subject to an obligatory recording according to their mass and to their quality when extracted, and also during their production, their use and their turnover. The procedure for such recording and of the reports, including a regular supply by the organizations, engaged in the [production](#) of precious metals and of precious stones, of the information on the volumes of the precious metals and of the precious stones, which they have put out, to the state statistics bodies, shall be established for the said kinds of activity by the Government of the Russian Federation.

*See [Instructions on Recording the Deals, Made with Unprocessed Precious Stones, approved by Order of the Ministry of Finance of the Russian Federation No. 81n of October 4, 2001](#)*

*[Federal Law No. 15-FZ of January 10, 2003 amended Item 3 of Article 20 of this Federal Law](#)  
[See the previous text of the Item](#)*

3. The refined precious metals, the precious metal nuggets, not subject to the refining, and [precious stones](#) shall be recorded on the balance of their owners and shall be launched into the civil turnover in accordance with the rights of their owners, set forth in the present Federal Law and contracts.

4. The unique precious metal nuggets, not subject to any treatment, as well as the unique precious stones, shall be offered for the contractual prices by the subjects of their extraction for acquisition in the order of priority to the specially authorized federal executive power body, and then to the authorized executive power bodies of the subjects of the Russian Federation, on whose territory these nuggets and precious stones were extracted. The contractual price of the unique nuggets of precious metals shall not be lower than the cost of the precious metals, contained in the said nuggets, computed according to the world market prices, current at the moment of concluding the purchase and sale contract on these nuggets. The contractual price of unique precious stones shall be fixed by the expert commissions, set up on the principles of parity from representatives of the interested parties.

The procedure and the criteria for referring the precious metal nuggets and the precious stones to the category of unique ones shall be established by the Government of the Russian Federation. The precious metal nuggets, not referred to the category of unique ones, and the mineralogical collection samples of these nuggets may be sold for the contractual prices by the subjects of the extraction of precious metals and of precious stones in accordance with the procedure, laid down by the legislation of the Russian Federation.

*On the procedure and criteria for referring nuggets of precious metals and precious stones to the category unique objects see [Decision of the Government of the Russian Federation No. 1068 of September 22, 1999](#)*

The estimation and the certification of the precious metal nuggets shall be effected by the specially authorized federal executive power body in conformity with the procedure, established by the Government of the Russian Federation. The nuggets, not acquired into the State Fund of Precious Metals and of Precious Stones of the Russian Federation, shall be returned to the subjects of their extraction or shall be realized on the commission of the said subjects of the extraction of precious metals and of precious stones, including at an auction.

5. The precious metals and the precious stones, not sold in the order of priority to the buyers, pointed out in [Item 5 of Article 2](#) of the present Federal Law and in Item 4 of the present Article, including to the buyers, who have refused to acquire the unique nuggets of precious metals, may be realized by the subjects of their extraction and production to any legal entities or natural persons,

including through the exchanges of precious metals and of precious stones, operating in the Russian Federation, or may be used in their own production or as an object of pledge or of any other kind of a financial obligation, or may be taken away from the territory of the Russian Federation for the sale on the external market in conformity with the procedure, laid down by the President of the Russian Federation.

The part of the precious metals and of the precious stones, unclaimed and not paid for in accordance with the obligations, shall be used by their owners or by the possessors on the internal and on the external markets in conformity with the procedure, established by the legislation of the Russian Federation. The part of the precious metals and of the precious stones, paid for but nevertheless not claimed in the course of three months, shall be handed over to the State Fund of Precious Metals and of Precious Stones of the Russian Federation, and may be claimed for on the ground of presenting the rights of ownership.

6. The precious metals and the [precious stones](#), obtained as a result of an activity, involved in the geological study of the mineral resources, shall be recorded and put on the balance by the organizations, carrying out these kinds of work, in accordance with the procedure, laid down by the federal body for the management of the state fund of the mineral resources.

#### **Article 21.** The Way of Payment for Precious Metals and for Precious Stones

1. In the performance of the deals, permitted by the legislation, the precious metals shall be paid for with account for the world market prices. In performing the said deals, precious stones shall be paid for by the prices, defined by way of an expert examination, relying on the pricing lists, similar to those current on the world market and taking into account the situational vacillations of the prices on the day of the sale. The way of payment for the precious metals and for the precious stones shall be established by the corresponding contracts.

2. The contracts with the subjects of the extraction and of the production of precious metals and of precious stones for the deliveries of the said [valuables](#) to the State Fund of Precious Metals and of Precious Stones of the Russian Federation, and to the state funds of precious metals and of precious stones of the subjects of the Russian Federation shall be provided for by way of the prepayment (by making an advance payment) against the payments, due according to the payment agreements. The volume of the prepayment in the contracts on the delivery of precious metals and of precious stones to the said funds shall be fixed, respectively, by the Government of the Russian Federation and by the state power bodies of the subjects of the Russian Federation.

3. To stimulate investments into the development of the extraction and of the production of precious metals and of precious stones, by the decision of the Government of the Russian Federation and in conformity with the legislation of the Russian Federation on the securities, into the circulation may be launched the government securities, nominated in the mass of precious metals.

4. If the customer fails to fulfil the terms of the contract, envisaged by the provisions, set forth in Items 1 and 2 of the present Article, the subjects of the extraction and of the production of precious metals and of precious stones shall have the right to leave at their own disposal the products, not paid for in accordance with the contracts, and also to turn, in conformity with the established procedure, for the protection of their property rights to the arbitration court.

#### **Article 22.** The Use and the Turnover of Precious Metals and of Precious Stones, of Their Scrap and Wastes

1. The use and the turnover of precious metals and of precious stones shall be effected in the order and on the terms, which have been established by the present Federal Law and by the legislation of the Russian Federation.

*On the Procedure for Determining the Mass of Noble Metals and Precious Stones and for Computing Their Value in the Bank of Russia and in Credit Institutions, see [Instructions of the Central Bank of Russia No. 94-I of November 30, 2000](#)*

2. The turnover of precious metals may be effected in the form of the government securities (the bonds), nominated in the mass of precious metals, or secured against with precious metals and

issued in accordance with the procedure, established by the Government of the Russian Federation in conformity with the legislation. The obligations by these securities (bonds) shall be guaranteed against by the amount of precious metals, equivalent to the emitter's aggregate bond obligations, placed into the responsible storage in accordance with the procedure, defined by the Government of the Russian Federation.

**3.** The precious stones, unfit for the manufacture of the jewellery, shall be used as the products, intended for the production and technical uses without the restrictions, imposed by the present Federal Law and by the [Law](#) of the Russian Federation on the Currency Regulation and on the Currency Control.

The criteria and the procedure for referring precious stones to those unfit for the manufacture of the jewellery, shall be laid down by the Government of the Russian Federation.

*On the criteria and the procedure for the referring of precious stones to ones unfit for the manufacture of jewellery see [Decision](#) of the Government of the Russian Federation No. 1365 of November 23, 1998*

[Federal Law](#) No. 15-FZ of January 10, 2003 amended paragraph 1 of Item 4 of Article 22 of this Federal Law

[See the previous text of the paragraph](#)

**4.** The scrap and the wastes of precious metals and of precious stones shall be subject to collection in all the organizations, including in the military units and in the military formations, where the said scrap and wastes are accumulated. The collected scrap and wastes shall be subject to an obligatory recording and may be treated (processed) by the organizations, which have collected them, including by the military units and by the military formations, for a secondary use, or may be sold to the organizations, in compliance with the present Federal Law, for a further production and for the [refining](#) of precious metals, and for the [recuperation](#) of precious stones.

*On the procedure for the collection, the acceptance and the treatment of the scrap and of the wastes of precious metals and of precious stones, see the [Decision](#) of the Government of the Russian Federation No. 431 of June 25, 1992*

The precious metals and the precious stones, extracted from the scrap and from the wastes, depending on their appearance and condition, shall be used and launched into the turnover in conformity with the present Federal Law.

#### **Article 23.** The Issue of Valuables from the State Fund of Precious Metals and of Precious Stones of the Russian Federation

**1.** The precious metals and the precious stones, entered into the State Fund of Precious Metals and of Precious Stones of the Russian Federation, shall be used, in accordance with the plans, approved by the Government of the Russian Federation, in the cost volumes, established by the federal law on the federal budget. These plans shall be adopted annually with the indication of the concrete goals, pursued in the issue of the precious metals and of the precious stones.

**2.** The issue from the State Fund of Precious Metals and of Precious Stones of the Russian Federation of gold for the performance of transactions on the external and on the internal markets, as well as the issue from the said Fund of the other kinds of precious metals and of precious stones above the volumes, established in the plans for the issue of precious metals and of precious stones, approved by the Government of the Russian Federation, as well as for the goals, not envisaged by these plans, shall be effected only by the decision of the President of the Russian Federation, on the ground of a motivated presentation on the part of the Chairman of the Government of the Russian Federation, and with the introduction of the corresponding amendments into the federal law on the federal budget.

The said presentation shall contain the information on the total amount and on the assortment of the corresponding [valuables](#), kept in storage in the State Fund of Precious Metals and of Precious

Stones of the Russian Federation at the moment of forwarding the given presentation, on the planned incomings of these valuables, on the existence of the state indebtedness to the subjects of the extraction and of the production of precious metals and of precious stones, on the concrete time limits and lines of the expenditure of the means to be derived from the supposed transactions in the additionally issued valuables, and also on the actual fulfilment of the former decisions of the President of the Russian Federation on these questions.

3. The means, derived from the sale of the valuables from the State Fund of Precious Metals and of Precious Stones of the Russian Federation, shall be subject to an obligatory recording in the revenue of the federal budget.

## **Chapter VI. The International and the Foreign Economic Activity of the Russian Federation in the Sphere of the Extraction, Production, Use and Turnover of Precious Metals and of Precious Stones**

**Article 24.** The International Treaties of the Russian Federation and the Agreements Between the Subjects of the Russian Federation in the Sphere of the Extraction, Production, Use and Turnover of Precious Metals and of Precious Stones

1. For the purposes of providing for the economic, for the scientific research and for the socio-cultural interests of the Russian Federation, the present Federal Law establishes the specifics, characterizing the conclusion of international treaties by the Russian Federation, as well as the agreements of the subjects of the Russian Federation, concluded, in conformity with the civil legislation of the Russian Federation, with the subjects or with the administrative territorial entities of foreign states and with foreign legal entities in the sphere of the extraction, the production, the use and the turnover of the said valuables.

2. The draft international treaties of the Russian Federation and the draft agreements of the subjects of the Russian Federation with the subjects or with the administrative territorial entities of foreign states and with foreign legal entities in the sphere of the extraction, the production, the use and the turnover of precious metals and of precious stones, shall be submitted to the Government of the Russian Federation. These drafts shall undergo an obligatory economic and legal expert examination, organized by the specially authorized federal executive power body in conformity with the procedure, established by the Government of the Russian Federation.

3. The international treaties of the Russian Federation in the sphere of the extraction, the production and the use of precious metals and of precious stones, shall be subject to an obligatory ratification in conformity with the procedure, established by the legislation of the Russian Federation.

4. The agreements of the subjects of the Russian Federation with the subjects or with the administrative territorial entities of foreign states and with foreign legal entities in the sphere of the extraction, of the production and of the use of precious metals and of precious stones, shall come into force after their state registration, performed in accordance with the procedure, established by the Government of the Russian Federation.

**Article 25.** The Contracts (Agreements) on the Product Division in Carrying Out the Geological Study, the Prospecting and the Extraction of Precious Metals and of Precious Stones with the Participation of Russian and of Foreign Investors

1. The use of the plots of the earth bowels for the geological study, for the prospecting and for the extraction of rough diamonds shall not be performed on the terms of the contracts (of the agreements) on the product division.

2. The conclusion, execution and termination of the contracts (of the agreements) on the product division in the extraction of precious metals and of precious stones, with the exception of rough diamonds, shall be effected in conformity with the Federal Law on the Product Division Agreements.

3. In the execution of the contracts (of the agreements) on the product division in the performance of the geological study, the prospecting and the extraction of precious metals and of

precious stones, with the exception of rough diamonds, no restrictions in exercising the right of ownership to the extracted [precious metals](#) and to the extracted [precious stones](#), envisaged by [Item 5 of Article 2](#) of the present Federal Law, shall be applied with respect to the participants in the said agreements.

## **Chapter VII. The State Control over the Geological Study of and the Prospecting for the Deposits of Precious Metals and of Precious Stones, over Their Extraction, Production, Use and Turnover**

*On the protection of legal entities' and individual entrepreneurs' rights in the case of exercise of state control (supervision) see [Federal Law No. 134-FZ of August 8, 2001](#)*

**Article 26.** The Goals and the Kinds of the State Control over the Geological Study of and over the Prospecting for the Deposits of Precious Metals and of Precious Stones, and over Their Extraction, Production, Use and Turnover

**1.** The state control over the geological study of and over the prospecting for the deposits of precious metals and of precious stones, as well as over their extraction, [production](#), use and turnover, shall be aimed at providing for:

1) the observation of the legislation of the Russian Federation in the sphere of the geological study of and of the prospecting for the deposits of precious metals and of precious stones, and of their extraction, production, use and turnover;

2) an effective use of the natural resources of precious metals and of precious stones;

3) an application of the ecologically pure organizational and technological schemes for the extraction and for the production of precious metals and of precious stones;

4) the preservation of precious metals and of precious stones, as well as of the products, made of them.

**2.** The following kinds of a uniform state control shall be exerted over the geological study of and the prospecting for the deposits of precious metals and of precious stones, as well as over their extraction, production, use and turnover:

1) a constant control over the extraction, the production, the treatment, the use, the recording and the storage of precious metals and of precious stones in the organizations, pointed out by the Government of the Russian Federation;

*[Decision of the Government of the Russian Federation No. 64 of January 18, 1999 approved \[List of Organizations Engaged in Extraction, Production, Processing and Utilization of Gems and Precious Metals Subject to Constant State Control\]\(#\)](#)*

2) the periodical control, exerted:

- in all the organizations, which extract, treat or use [precious metals](#) and [precious stones](#), as well as in those, which buy up or accept in pledge the jewellery and the other everyday-use articles, made of precious metals and of precious stones, which sell these articles or render mediatory services in the trade in them, which keep in storage and exhibit the articles (products, materials), made of precious metals and of precious stones, and which procure and process the scrap and the wastes of precious metals and of precious stones;

- in the organizations, in the military units and in the military formations, performing an activity, involved in the use of precious metals and of precious stones, in the collection, the treatment and the forwarding into the State Fund of Precious Metals and of Precious Stones of the scrap and of the wastes of precious metals and of precious stones; - with respect to the individual businessmen, performing [transactions in precious metals and in precious stones](#);

3) the federal assay supervision, exerted in accordance with [Item 2 of Article 13](#) of the present Federal Law;

4) the state control over the import to the territory of the Russian Federation and over the export from the territory of the Russian Federation of precious metals and of precious stones, as well as of

the products, made of them.

**Article 27.** The Powers of the Bodies for the State Control over the Geological Study of and over the Prospecting for the Deposits of Precious Metals and of Precious Stones, and over Their Extraction, Production, Use and Turnover

1. The state control over the geological study of and over the prospecting for the deposits of precious metals and of precious stones, as well as over their extraction, production, use and turnover, shall be exerted by the state power bodies of the Russian Federation and by the state power bodies of the subjects of the Russian Federation within the scope of their powers, delineated by the present Federal Law and by the other federal laws.

2. The bodies for the state control over the geological study of and over the prospecting for the deposits of precious metals and of precious stones, and also over their extraction, production, use and turnover, shall exercise the following powers in conformity with the goals and the kinds of control:

1) conduct revisions, check-ups and examinations in all the organizations, irrespective of their forms of ownership, which extract, produce, treat and make use of precious metals and of precious stones, as well as the check-ups of the use of precious metals and of precious stones by the individual businessmen, performing transactions in precious metals and in precious stones;

2) establish the forms for the accounting and for the reports in the performance of the extraction, the production, the use and the turnover of precious metals and of precious stones, and also the procedure for submitting the said documents;

3) forward to the official persons of the controlled organizations the written instructions, obligatory for the execution, on the elimination of the exposed violations, and also on the termination of the works with precious metals and with precious stones, as well as with the products, made of them, in case of an exposure of the violations, conducive for a non-rational use of these valuables and (or) precluding the possibility of guaranteeing their security;

4) hand over the corresponding materials to the law-protection bodies, if the signs of crime or of the other substantial violations of the legislation of the Russian Federation are exposed during the revisions, the check-ups and the examinations;

3. The bodies for the state control over the geological study of and over the prospecting for the deposits of precious metals and of precious stones, and over their extraction, production, use and turnover, shall not be permitted to engage in an independent commercial activity, and shall not come out as the founders of the organizations, performing a commercial activity, with the exception of the organizations, set up to provide for the functions of the state bodies.

4. By the Decision of the President of the Russian Federation, or on his orders by the Decision of the Government of the Russian Federation, the procedure may be approved for an interaction between the bodies for the state control over the geological study of and over the prospecting for the deposits of precious metals and of precious stones, as well as over their extraction, production, use and turnover, and the supervisory councils of the Russian organizations, extracting and (or) selling natural rough diamonds in the Russian Federation and outside of the territory of the Russian Federation.

**Article 28.** The Rights of the Official Persons of the Bodies for the State Control over the Geological Study of and the Prospecting for the Deposits of Precious Metals and of Precious Stones, over Their Extraction, Production, Use and Turnover

1. The authorized official persons of the bodies for the state control over the geological study of and over the prospecting for the deposits of precious metals and of precious stones, over their extraction, production, use and turnover shall be entitled to the right to:

1) visit without any obstacles, for the fulfilment of the duties, imposed upon them, all the organizations, performing the geological study of and the prospecting for the deposits of precious metals and of precious stones, over their extraction, production, use and turnover, upon the presentation of the official identification cards and of the corresponding instructions from the bodies, in which they are employed;

2) carry out an examination of the premises, of the work places, of the transportation facilities, of the places for a permanent or for a temporary storage of precious metals and of precious stones, as well as of the products, made of them, and an examination of the said valuables, and also seal up the said premises, work places, transportation facilities and places for a permanent or for a temporary storage, used by the organizations, which perform the geological study of and the prospecting for the deposits of precious metals and of precious stones, their extraction, production, use and turnover, if violations of the established procedure for the receipt, for the expenditure, for the accounting and for the storage of these valuables, or for the collection of their scrap and wastes are exposed;

3) carry out the bodily inspection of the persons, whose activity is connected with a direct access to precious metals and to precious stones;

4) inquire for and gratuitously receive from the official persons of the controlled organizations, as well as from the individual businessmen, engaged in transactions with precious metals and with precious stones, the relevant documentation, the explanations in either written or oral form, and also the reference notes on the questions, arising in the course of the exertion of control;

5) check up the book-keeper documents, the normative technical and the other documents, containing the information on the receipt, the expenditure, the accounting and the storage of precious metals and of precious stones, of their scrap and wastes, and seal up the said documents in the cases, when there is a possibility that they may be lost or that the information, contained in them, may be distorted, until completing the check-up and (or) until the decision is passed on the withdrawal of the said documents;

6) take in the controlled organizations the samples of the assays of the products (of the materials), made of precious metals and of precious stones, and also the samples of the articles, made of precious metals and of precious stones, and of the assays of the scrap and of the wastes of precious metals and of precious stones for checking up and for making analyses at the laboratories of the state control bodies, or at the other laboratories;

7) file with the court or with the arbitration court the claims in the interest of the state in the cases of exposing violations of the property rights of the state;

8) take decisions on imposing administrative penalties in the cases, envisaged by the administrative legislation.

**2.** The outlays of the organizations and of the individual businessmen, sustained in the exertion of the state control in the course of taking the samples, of carrying out the assaying, an expert examination and the analyses of the products (of the articles or of the materials), made of precious metals and of precious stones, and also in the course of the treatment of the jewellery and of the other everyday-use articles, made of precious metals and of precious stones, not corresponding to the established demands and not subject to realization, shall not be liable to recompense.

**3.** The specially authorized federal executive power body shall lay down, in agreement with the other interested federal executive power bodies, the procedure for the withdrawal, for the purposes of the check-up and of an analysis, of the samples of the products (of the articles and of the materials), made of precious metals and of precious stones, as well as of the assay samples of the raw materials and of the wastes of precious metals and of precious stones.

## **Chapter VIII. Responsibility of the Organizations and of the Official Persons**

### **Article 29. Guaranteeing the Guarding of Precious Metals and of Precious Stones, and of the Articles, Made of Them**

**1.** The organizations, engaged in the geological study of and in the prospecting for the deposits of precious metals and of precious stones, in their extraction, production, use and turnover, as well as the individual businessmen, performing transactions in precious metals and in precious stones, shall organize the guarding of the said valuables and of the products, made of them, in accordance with the demands of the legislation of the Russian Federation.

To these ends, the said organizations and individual businessmen shall be obliged to implement the measures, aimed at strengthening the objects, where transactions in precious metals and in

[precious stones](#) are performed, and at equipping them with special technical means of protection, signalling and communication; they shall be obliged to set up their own guard services and, if the establishment of such services is impossible, to conclude contracts on rendering these services with the organizations, specializing in an activity, involved in guarding the objects.

**2.** The list of the official persons, who are permitted to keep and to carry by themselves the special means and also the combat, service and civil weapons when fulfilling the tasks, involved in guarding precious metals and precious stones, and the list of the kinds of the special means and weapons and the rules for their application, shall be defined by the Government of the Russian Federation in conformity with the legislation of the Russian Federation.

**3.** The transportation of precious metals and of precious stones, and of the products, made of them, shall be performed by the air, the water, the rail and by the special road vehicles, equipped with the corresponding technical means, and shall be accompanied by the armed guards. The equipment of the specialized road transport vehicles shall guarantee the security of the said cargoes. The demands on the equipment of the specialized road transport vehicles, with the exception of the special road transport vehicles of the banks' security and encashment services, shall be formulated by the specially authorized federal executive power body in agreement with the internal affairs bodies.

**Article 30.** Responsibility for Violating the Procedure for the Geological Study of and for the Prospecting for the Deposits of Precious Metals and of Precious Stones, and for Their Extraction, Production, Use and Turnover

**1.** The persons, guilty of committing violations of the procedure, established for the geological study of and for the prospecting for the deposits of precious metals and of precious stones, for their extraction, production, use and turnover, shall bear the criminal, the administrative and the civil responsibility in conformity with the legislation of the Russian Federation.

**2.** The incomes, derived as a result of an unlawful extraction, production, use and turnover of precious metals and of precious stones, shall be turned over, in accordance with the procedure, established by the legislation of the Russian Federation, into the revenue of the state. In this case, the precious metals and the [precious stones](#) shall be subject to an obligatory entry into the State Fund of Precious Metals and of Precious Stones of the Russian Federation.

**Article 31.** Appealing Against the Actions of the Bodies, Exerting the State Regulation of Relations in the Sphere of the Geological Study of and of the Prospecting for the Deposits of Precious Metals and of Precious Stones, of Their Extraction, Production, Use and Turnover, and of Their Authorized Official Persons

**1.** The actions of the bodies, exerting the state regulation of relations in the sphere of the geological study of and of the prospecting for the deposits of precious metals and of precious stones, of their extraction, production, use and turnover, and the state control in the said sphere, as well as the actions of their authorized official persons, may be appealed against by the citizens and by the legal entities, in conformity with the legislation of the Russian Federation, with the court or with the arbitration court.

**2.** The losses, caused by the unjustified actions of the state bodies and of their authorized official persons, shall be recompensed in accordance with the procedure, established by the [civil legislation](#) of the Russian Federation.

## Chapter IX. Final Provisions

**Article 32.** Procedure for the Enforcement of the Present Federal Law

**1.** The present Federal Law shall be enforced as from the date of its [official publication](#).

Prior to the organization and the start of the operation of the exchanges of precious metals and of precious stones, envisaged by [Article 3](#) of the present Federal Law, the deals in precious metals and in precious stones shall be performed in conformity with the legislation of the Russian Federation.

*On the performance of the deals in precious metals and in natural precious stones on the territory of the Russian Federation, see the Decisions of the Government of the Russian Federation [No. 756 of June 30, 1994](#) and [No. 759 of June 27, 1996](#)*

The procedure for the establishment of the State Fund of Precious Metals and of Precious Stones of the Russian Federation, and of the gold reserve stock of the Russian Federation, as well as the procedure for the expenditure of the [valuables](#), entered into them, and also the procedure for submitting reports on the replenishment of the State Fund of Precious Metals and of Precious Stones of the Russian Federation and of the gold reserve stock of the Russian Federation and on the expenditure of the valuables, entered into them, envisaged by [Articles 6, 8](#) and [23](#) of the present Federal Law, shall be applied as from January 1, 1999.

[Federal Law No. 15-FZ of January 10, 2003 amended paragraph 4 of Item 1 of Article 32 of this Federal Law](#)

[See the previous text of the paragraph](#)

The certification, laid down by [Article 14](#) of the present Federal Law, shall be introduced so far as the certification centres are set up.

**2.** The laws and the other legal normative acts of the Russian Federation, and also the laws and the legal normative acts of the subjects of the Russian Federation and the contracts, concluded by the state power bodies of the Russian Federation with the state power bodies of the subjects of the Russian Federation, which have been operating on the territory of the Russian Federation before the enforcement of the present Federal Law, shall continue to be applied in the part, not contradicting the present Federal Law.

**3.** To propose to the President of the Russian Federation and to order to the Government of the Russian Federation and to the state power bodies of the subjects of the Russian Federation that they adjust their legal acts to the present Federal Law within a term of three months as from the date of publication of the present Federal Law.

**4.** The Government of the Russian Federation shall be obliged, within a term of three months, to submit to the State Duma proposals on the introduction of the amendments and the addenda into the earlier passed federal laws in conformity with the present Federal Law, and on the establishment (on the aggravation) of the responsibility for the violation of the present Federal Law.

President  
of the Russian Federation

B. Yeltsin

Moscow, the Kremlin