

Mesures Canada

Information Package for the Canadian Jewellers Association and its Membership

Issued: February 2023

This document has been created to assist the membership of the Canadian Jewellers Association in understanding who Measurement Canada is, the legal obligations of traders performing trade based on measurement, the scales that are needed to purchase and sell precious metals and gemstones, as well as to assist traders in recognizing Measurement Canada inspectors in the field. The intention of this document is provide an overview for education purposes only. Should anyone have any questions about the content of this document, they should contact Measurement Canada directly to have their questions answered.

The information contained within this document is subject to change at any time, and as such is only accurate at the time the document was issued. Though Measurement Canada, whenever possible, will issue directed communications to stakeholder groups when major changes occur with our legislation and policies, traders are obligated to maintain current understandings of the laws regulating trade measurement and the approved devices that are required to perform their measurement-related business practices. Links to all of the web pages containing the source information that was used to build this document can be found in the Appendices at the end of this package.

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Introduction and Background

Measurement Canada (MC) is an agency of <u>Innovation</u>, <u>Science and Economic Development Canada</u>. It is responsible for ensuring accuracy in the selling of measured goods, developing and enforcing the laws related to measurement accuracy, approving and inspecting measuring devices and investigating complaints of suspected inaccurate measurement.

Our mandate is to ensure the integrity and accuracy of trade measurement in Canada through the administration and enforcement of the *Weights and Measures Act* and Regulations and the *Electricity and Gas Inspection Act* and Regulations.

Our mission is to ensure equity and accuracy where goods and services are bought and sold on the basis of measurement, in order to contribute to a fair and competitive marketplace for Canadians.

Weights and measures legislation

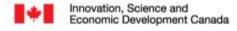
The Weights and Measures Act and Regulations set the rules for the purchase and sale of measured products and services. The Act requires that:

- measuring devices be approved for use in Canada
- approved and certified measuring devices be used in measurement-based financial transactions (trade measurement)
- the accuracy of measuring devices be recertified in accordance with the time periods stipulated in the Regulations
- owners and operators ensure their measuring devices measure accurately and are not used in a fraudulent manner
- the quantities declared for products bought and sold on the basis of measurement be accurate within prescribed limits of error
- only units of measurement described in the Act be used in commercial transactions.

Enforcement and monitoring programs exist for our inspectorate that enable the gathering of data from the marketplace in order to determine risk associated with industry practices, device usage and device accuracy when measuring devices are employed in the selling or purchasing of measured goods. These programs are designed to address known or suspected issues as well as to inform program developers about the present state of trade sectors and the devices being used within those sectors. The data gathered is most useful and effective when inspectors visit establishments unannounced to accurately assess the state of devices and how they are being used. Notice prior to an inspector's visit should never be expected by establishment owners and establishment representatives are legally required, by the Weights and Measures Act, to provide all reasonable assistance to MC inspectors to access and assess the device usage practices and accuracy of measuring devices being used in trade.

It is an offence to obstruct or hinder an inspector in the performance of his/her duties. While on company premises, a MC inspector is a law enforcement officer performing a public duty. As a law enforcement officer, an inspector is obligated to fulfill the requirements of the *Weights and*

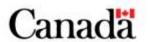




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Measures Act but are not legally compelled to comply with a company's safety and security requirements.

As a solution to ensuring marketplace equity in trade measurement during a rapidly increasing population of measuring devices, MC developed the Authorized Service Provider (ASP) program. An ASP is an organization that has been recognized by MC to inspect and certify devices, and to issue certificates for those devices. ASPs must meet the requirements of either the Accreditation or Registration programs before conducting inspections on behalf of MC. Before these alternative service delivery programs were developed, inspection duties were only performed by MC staff. The ASP program has allowed MC to more effectively monitor the integrity of the marketplace, to increase consumer confidence of measurement accuracy of the devices being used in trade and to enforce the laws set out in the <u>Weights and Measures Act</u> and the <u>Weights and Measures Regulations</u>.



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What to Expect When a Measurement Canada Inspector Arrives at Your Establishment

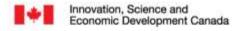
As previously mentioned, MC inspectors will not, under normal circumstances, advise an establishment of their intention to visit a site in order to perform their inspection duties. As such, MC recognizes that certain industries may have security related concerns when an individual enters their place of business and requests access to any measuring devices or records associated with trade measurement business practices. In order to alleviate these anxieties and contribute to strengthening relationships between traders and inspectors, an outline of how an inspector is expected to act and the obligations of the trader are provided below. This outline reflects current policies at the time this document was produced and is subject to change at any time by MC. Remain informed of Weights and Measures legislation and policies as they relate to your industry, the devices you may use in trade and the business practices you must employ to ensure accuracy and integrity in trade measurement - Home - Measurement Canada (ic.gc.ca)

PART 1: Prior to using a measuring device in trade

It is the trader's obligation to ensure that they purchase the correct scale for the purpose of buying or selling precious metals and gemstones. In order to make sure that the scale being purchased is appropriate and approved for use in trade, the trader should ask the following questions when purchasing a scale:

- Is the model of scale I am interested in purchasing a Class II scale?
 - MC classifies scales as either: I, II, III, IIIHD, or IIII. Only Class II scales can be
 used to weigh precious metals or gemstones. The supplier of the scale will be
 able to answer this question and provide the specifications for the scale. Contact
 the supplier and ask this question.
- Is the model of scale I am interested in purchasing approved in Canada for use in trade measurement?
 - The specifications sheet provided by the scale supplier should indicate this. Approved scales in the Canadian marketplace will typically have an approval number in the following format: AM-xxxx, where the x's are a 4-digit number associated with the approval document issued by MC's Approval Laboratories. Special attention should be made to ensure that you choose a model of scale that is approved, as many scale models can be purchased in both an approved and unapproved version. Purchasing an unapproved scale will result in it being removed from trade through enforcement action by an inspector should it be found in use in trade measurement. (Be especially aware of scales purchased online. A scale 'approved' for use in trade in another country may not necessarily be approved for use in trade in Canada.)
- Once purchased, what will I need to do to authorize the scale ready to be used in trade?





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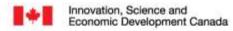
Once the scale has been received, you will need to arrange to have it calibrated and inspected by an ASP. The calibration is absolutely necessary on a scale as sensitive as a precious metals scale, since changes in gravity from the place it is purchased to where it is installed can affect the accuracy of the scale's measurement. (Whenever the scale is moved to a different location it should be re-calibrated.) An inspection is required prior to the scale's first use in trade to determine if the scale meets all of the necessary requirements for accuracy, installation, performance and use; this inspection is referred to as an initial inspection. Once the inspection has been completed and the scale is deemed accurate and appropriate, a certificate will be issued by the individual that performed the inspection in order to authorize its use in trade measurement.

Businesses may contact Measurement Canada if they have any questions regarding their scales.

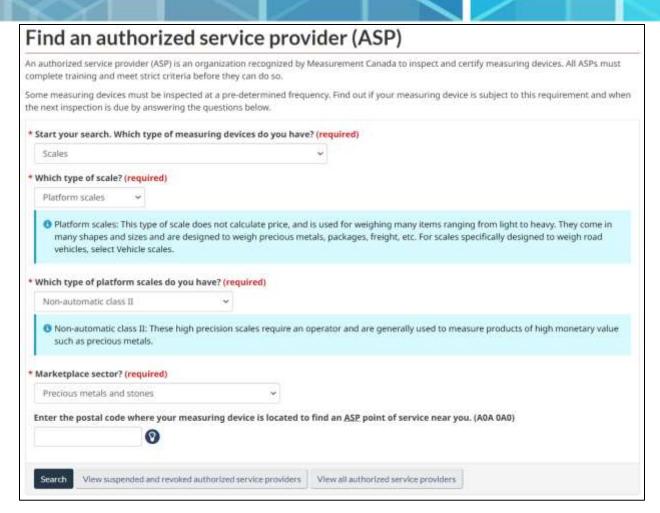
Once the scale has been received, you can find and arrange to have an ASP visit your establishment and perform the required inspection and calibration of the scale. To do so, visit MC's website and use the *'Find an Authorized Service Provider'* search tool to find a service provider that is capable of performing the necessary certification of the scale (<u>Find an authorized service provider (ASP)</u> (canada.ca)).

The following options must be selected on the search page in order to retrieve a list of service providers capable of performing inspections on Class II, precious metals scales:





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Complete the search function by entering the postal code of your establishment and clicking on the 'Search' button. A list of service providers that are capable of performing the required inspection will be provided; contact whichever company you wish from the list, request a quote for their services and arrange to have a technician visit your site.

PART 2: What to expect once you have an approved, certified scale being used in trade

Once the scale has been purchased, installed, calibrated and inspected, your scale is authorized for use in trade measurement. A copy of the certificate that was issued to you by the ASP technician should be kept somewhere accessible in case your customers (or a MC inspector) ask to see it as confirmation that the device has been certified. Since scales used in the purchasing and selling of precious metals and gemstones are not within one of the eight (8) mandatory examination trade sectors, they will not need to be re-certified once they have been initially inspected unless one of the following events occurs:





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- The scale is re-located to a new site, where gravity tolerances will affect the accuracy of the scale and the device location would need to be updated by way of an issued certificate.
- The scale is deemed by an inspector to be non-compliant, during randomized device sampling, to any requirement of the Weights and Measures Act or its regulations, and needs to be repaired or corrected,
- The scale has been damaged in such a way that the measurement accuracy has been affected, and the repairs required to fix the issue necessitate an inspection,
- In the validation process of a complaint received by MC, the scale needs to be inspected to establish compliance with the *Weights and Measures Act* and its regulations.

Despite the fact that these scales will not require re-certification on a regular basis, the owner of the scale <u>has a legal obligation</u> to ensure that the device remains in good working condition and continues to measure accurately at all times. The scale should be calibrated and serviced regularly, and in accordance with the manufacturers' recommendations. MC recommends that the owners of scales arrange service contracts with appropriately knowledgeable service providers in order to maintain their measuring devices.

PART 3: How, when and why will Measurement Canada inspectors visit my establishment?

MC's mandate, as indicated in the introduction, is to ensure that measurement accuracy and integrity is maintained in the marketplace. To achieve this, MC applies several monitoring techniques to maximize our impact and best use the inspection resources we have available to us. These techniques and approaches typically fall into the following categories:

- Biased inspection programs designed to address specific inequities found in the marketplace.
- Unbiased, randomized marketplace monitoring programs designed to gather compliance data across various trade sectors and device types.
- Follow-up inspection work used to verify that non-compliances have been corrected appropriately and that ASP technicians designated under the Weights and Measures Act as inspectors are performing their inspection work in accordance with all of the terms and conditions that apply to their work.

The inspection approaches provided above are the most commonly used techniques by MC. It is important for device owners to understand that these inspection programs are in place to ensure measurement accuracy and integrity in the marketplace. These programs are designed to ensure that all parties involved in a trade measurement transaction (trader and consumer alike) are being protected from fraudulent business practices and inaccurate measuring devices.





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When a MC inspector performs their inspection activities they will not advise the establishment of their visit prior to arriving, except when rare conditions requiring outside parties (contractors, service companies, etc.) need to be involved or other special circumstances where the trader must be informed prior to arrival of the inspector to assist with the device examination (i.e. to supply specialized equipment, etc.).

The first step that an inspector will take when they arrive at an establishment is to introduce themselves to the establishment representative and advise them as to the purpose of their visit. The following items are expected to be provided by inspectors during this part of the inspection visit:

- 1. The inspector will introduce themselves, provide a business card, show their photo identification card and, when necessary, produce their inspector's badge;
 - a. "Hello, my name is ______. I am an inspector with Measurement Canada, the federal government agency responsible for ensuring accuracy in the selling and purchasing of measured goods, and enforcing the Weights and Measures Act. The purpose of my visit today is.... Do you have any questions?"
 - b. Inspector's photo identification (designation card):



c. Inspector's badge:





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The inspector's designation card and badge are identification tools used by MC inspectors to prove their identities and provide an increased level of credibility. These items are only issued to inspectors who have been designated under the *Weights and Measures Act* to enforce the Act and carry out inspection activities. The designation card confers, by law, the powers and authority granted to inspectors. Since plastic ID cards can be more easily reproduced, the badge acts as a visual tool that reinforces the legitimacy of the inspector's regulatory authority. These designation and identification tools are only held by active MC inspectors.

As for when these inspections can occur, they will always occur within the normal operating hours of an establishment, any day of the year. Special considerations are not made for industries during peak operating periods to avoid inconveniencing device owners. Inspectors travel throughout the country as part of their typical inspection activities and plan their time in a way to optimize the use of their resources and time. If an inspector is working in a particular region or city, they will plan as many inspections as possible for that area with the resources they have travelled with. This approach reduces the number of times that an area needs to be visited while performing prioritized tasks and yearly marketplace monitoring functions.



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PART 4: Legislative authorities of Measurement Canada inspectors and legal responsibilities of the trader

Measurement Canada inspectors are granted certain powers and authorities to enable them to administer and enforce the *Weights and Measures Act* and regulations. The most important power is the authority for an inspector to enter a commercial space that has reasonably been determined or suspected of performing business practices that involve trade measurement. This power is granted by article 17(1) of the *Weights and Measures Act* and authorizes an inspector to do the following at a place of business:

- a) Enter the place;
- b) Examine the place or anything in or on the place;
- c) Seize and detain anything in or on the place;
- d) Use any means of communications in the place or cause it to be used;
- e) Use any computer system in the place, or cause it to be used, to examine data contained in or available to it;
- f) Prepare a document, or cause one to be prepared, based on data;
- g) Use any copying equipment in the place, or cause it to be used;
- h) Direct any person to put anything in or on the place into operation or to cease operating it: and
- i) Prohibit or limit access to all or part of the place.

These powers are granted to an inspector to verify compliance with any and all parts of the *Weights and Measures Act* and regulations. Failure to recognize this authority may result in the inspector involving peace officers to permit the inspector to perform the functions listed above. It is important that traders understand these authorities, as attempts to prevent inspectors from performing their inspection functions can result in Administrative Monetary Penalties being imposed on the establishment.

Article 17(3) of the *Weights and Measures Act* sets out the duty of an owner or the representative of an establishment to provide all assistance to an inspector that is reasonably required to perform their inspection functions. In general terms, this means that any measuring device present at an establishment or anything else related to the trade measurement business practices of that establishment must be made available and accessible to an inspector performing inspection work.

Though inspectors retain the authority to physically remove a measuring device from the premises of an establishment when that device is not compliant with certain requirements outlined in the *Weights and Measures Act* and regulations, this practice is not something inspectors employ often. Typically, when a device that meets a level of non-compliance that permits an inspector to seize the device is found, the inspector will find a way to prevent further use of the device by way of sealing wires and tags until the device is either replaced or repaired as required. Devices found to be used in trade measurement that are not authorized or approved for trade measurement will absolutely need to be replaced with an approved and



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certified device at the trader's expense; the inspector will typically advise the trader to remove the unapproved device from the establishment so that it is no longer accessible for use in trade measurement.

Appendix A: Links to helpful information and currently enforced policies

- Measurement Canada's homepage: <u>Home Measurement Canada (ic.gc.ca)</u>
- Laws and requirements administered and enforced by Measurement Canada inspectors: Laws and requirements - Measurement Canada (ic.gc.ca)
- Infographic for Buying Gold and Other Precious Metals: <u>Buying gold and other precious</u> metals Measurement Canada (ic.gc.ca)
- Infographic for Selling Gold and Other Precious Metals: <u>Selling gold and other precious</u> metals - Measurement Canada (ic.gc.ca)
- Bulletin GEN-41 Type Approval and Inspection of Devices: Clarification of What is Considered Trade: <u>GEN-41—Type approval and inspection of devices: clarification of what is considered trade - Measurement Canada</u>
- Bulletin M-23 Inspection of Scales That Are Affected by Differences in Acceleration
 Due to Gravity: M-23—Inspection of scales that are affected by differences in
 acceleration due to gravity Measurement Canada (ic.gc.ca)
- Finding an Authorized Service Provider: Find an authorized service provider (ASP) (canada.ca)
- Measurement-related Complaint webform: <u>File a measurement-related complaint Measurement Canada (ic.gc.ca)</u>



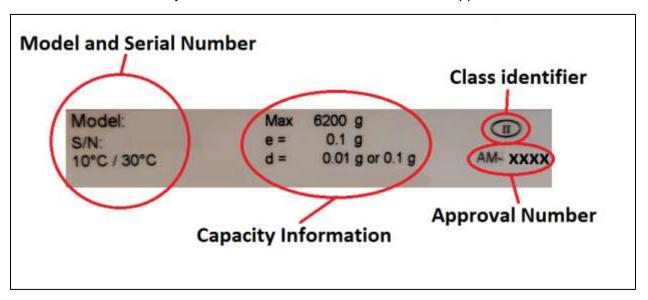


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Appendix B: Examples of approved and certified scale markings

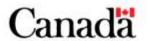
APPROVAL

On the specification plate of the scale, the manufacturer is required to provide several pieces of information on approved devices. The following is an example of what information, including the manufacturer's information, that must be present on the specification plate, and can act as a validation that the device you own and use in trade measurement is approved:



If one or more of these pieces of information are not present, or incomplete, then the device you have may not be approved. Contact an ASP or MC for guidance if you suspect that your device is not approved for trade and you require an approved and certified device.

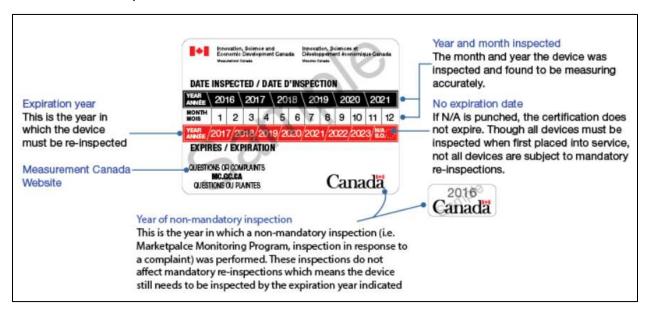
One marking which helps to distinguish approved, legal for trade devices from not legal for trade devices is: "NOT LEGAL FOR USE IN TRADE". If there is a marking on your scale which makes this claim, the device must not be used in trade measurement, as it has not been evaluated by MC's Approval Laboratory and is not authorized for use in trade. If a MC inspector finds a device with this marking being used in trade, the inspector will take necessary enforcement action(s). This could lead to seizure, and possibly detention of the device to prevent its use in trade measurement.



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INSPECTION

A scale that is approved for use in trade will need to be examined by an inspector prior to being used in trade measurement. Contact an ASP to perform an initial inspection and certify your scale if it does not possess an examination sticker that looks like this:



After the initial inspection is completed, the technician who inspected your scale will also affix a sticker or marking showing the year of the initial inspection and the ASP organization number of the technician who performed the inspection. This sticker or marking will be of a standard format, indicating an 'A' or an 'R', then a 3 or 4 digit registration number. Examples of these markings are as follows:

A-xxxx or R-xxxx

And the year of the initial inspection with all 4 digits (i.e. 2020, not 20)

Contact Measurement Canada for more information should you require any assistance in determining whether the scale you own meets the necessary requirements or you require guidance in finding an approved scale to purchase.

