



Can I get a Witness! : How Third-Party Supervision supports Precious Metals Trade

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About Bureau Veritas



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Representative vs Agent



VS



Representative vs Agent

Representative

- **Eyes & Ears**
- Not empowered to make decisions that affect you financially
- Reports back to primary customer for decisions
- Not aware of your Terms with the refiner

Agent

- Proxy for the customer
- Empowered to make financial decisions
- Makes decisions without direct input from the primary customer
- May be aware of refiners terms



- Supervision of material receipt
- Chain of custody for processing
- Verification of all weights and measures
- Confirmation of material recovery from all equipment and processes
- Integrity of Sample(s) for valuation and settlement
- Reconciliation of all process data with refiner site for final settlements
- **Reporting to customer of any anomalies, process deviations, issues, or errors!**

Reasons for hiring a Representative (good & bad)

1. Trust is missing in the relationship
2. Establishing a new relationship
3. Good Practices
4. Business Requirements
5. Knowledge of processes and sampling



Trust is missing in the relationship

- Client may feel they are not getting a fair deal from their refiner
- Prior bad experiences with sampling methods or equipment
- This is most difficult place to build trust from



Establishing a new relationship

- Unfamiliar with Refiner's sampling systems or methods
- New product or market for the customer
- Details intensive in scope



Good Practices

- Prior experience has shown good results
- Maintains process oversight, and verifies all details.
- Becomes a routine business process



Business Requirements

- Driven by compliance, HSE, risk management, etc.
- Highly structured in scope and delivery
- Risk of becoming a box ticking exercise



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1. Knowledge of processes and sampling

- If you could be there every time you would!.
- Representation companies are knowledgeable about sampling in general as well as site specific sampling.
- It's all about the sample, everything hinges on that being right.





A lot of value can be tied to a few samples

- Most likely if you could be there for every shipment, you would.
- Verification the refiners process is repeatable, reliable, and transparent (within the bounds of intellectual property)
- Chain of custody on material and samples is always maintained





With a Rep all parties are on the same page

- Expectations are clearly defined and sampling plan agreed
- Everything from weights to seals to references are verified and confirmed
- Any anomalies or deviations are documented and agreed by all parties before proceeding





It's a 2 way Street

- Memory can be faulty, independent documentation can quickly resolves discrepancies
- Small errors don't compound and delay settlements later
- Highlights improvements that benefit both parties



Considerations in a Representation Company



- Network: Are they everywhere you want to be
- Experience with product
- Experience with location
- Employees vs Subcontractors
- Scope of on-site service offered: Partial or Full
- Laboratory Service offered?
- Reputation

Thank You



Questions?