

DMCC

DMCC Rules

for

Risk Based Due Diligence

in the

Gold and Precious Metals Supply Chain

Version 1.1/2017

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DMCC Rules

**for Risk Based Due Diligence in the Gold and Precious Metals
Supply Chain**

PART A - INTRODUCTION AND GUIDANCE TO INTERPRETATION

1. These DMCC Rules for Risk Based Due Diligence in the Gold and Precious Metals Supply Chain (**DMCC Rules for RBD-GPM**) are issued by the Dubai Multi Commodities Centre (**DMCC**). The DMCC Rules for RBD-GPM follow the 5 step framework for risk-based due diligence of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and consist of:

Part A – Introduction and Guidance to Interpretation;
Part B – Articles;
Part C – Rules;
Part D – Schedule; and
Part E – Annexes.

2. The DMCC Rules for RBD-GPM have been established to ensure responsible global supply chain management of gold and precious metals, in order to assist Accredited Members (as defined below) to:
 - (a) comply with best practice and standards in Anti-Money Laundering and Combatting Terrorism Financing, avoid contributing to conflict and prevent abuses of Human Rights; and
 - (b) where possible, build constructive engagement with suppliers to source responsibly from conflict-affected and high-risk areas.
3. For the purposes of the DMCC Rules for RBD-GPM, each of the following terms shall have the meaning set out below:

Accreditation Standards means the following accreditation standards issued and regulated by the DMCC (as amended from time to time):

- (a) the Dubai Good Delivery standard (**DGD**); and
- (b) the Market Deliverable Brand standard (**MDB**);

Accredited Member means any person or entity that is subject to any one or more of the Accreditation Standards;

Article means an article set out in Part B of the DMCC Rules for RBD-GPM;

ASM means artisanal and small-scale mining formal or informal mining operations with predominantly simplified forms of exploration, extraction, processing, and transportation. ASM is normally low capital intensive and uses high labour-intensive technology. ASM can include people working on an individual basis as well as those working in family groups, in partnership, or as members of cooperatives or other types of legal associations and enterprises involving hundreds or even thousands of miners. For example, it is common for work groups of 4-10 individuals, sometimes in family units, to share tasks at one single point of mineral

extraction (e.g. excavating one tunnel). At the organisational level, groups of 30-300 miners are common, extracting jointly one mineral deposit (e.g. working in different tunnels), and sometimes sharing processing facilities;¹

Category-A Accredited Member means an Accredited Member who is domiciled in the UAE (including any Free Zone within the UAE);

Category-B Accredited Member means any Accredited Member who is not a Category-A Accredited Member;

Conflict-Affected and High-Risk Areas means areas identified by the presence of armed conflict, widespread violence, including violence generated by criminal networks, or other risks of serious and widespread harm to people. Armed conflict may take a variety of forms, such as a conflict of international or non- international character, which may involve two or more states, or may consist of wars of liberation, or insurgencies, civil wars. High-risk areas are those where there is a high risk of conflict or of widespread or serious abuses as defined in Annex II of the OECD Due Diligence Guidance for Responsible for Responsible Supply Chains of Minerals from Conflict-Affected and/or High-Risk Areas. Such areas are often characterised by political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure, widespread violence and violations of national or international law;²

DMCC Practical Guidance means the *Practical Guidance for Market Participants in the Gold and Precious Metals Industry - Version 1 - April, 2012* issued by the DMCC;

DMCC Review Protocol means the 'Review Protocol on Responsible Sourcing of Precious Metals' as amended and restated pursuant to Article 6 of the DMCC Rules for RBD-GPM and set out at Annex 3 of Part E to the DMCC Rules for RBD-GPM;

FIU means the Financial Intelligence Unit of the Central Bank of **the UAE**;

Human Rights mean the universal rights and freedoms regarded as belonging to every person, without discrimination, based on internationally recognised standards;

IGC means the DMCC's Independent Governance Committee;

LSM means gold and/or precious metals large scale mining operations that are not considered to be ASM;³

Mined Gold and/or Precious Metals means gold and/or precious metals that originates from mines and has never been previously refined. The origin of Mined Gold and/or Precious Metals is the mine where it is extracted. Mined Gold and/or Precious Metals subcategories are as follows: (a) Alluvial; (b) Ore; (c) Concentrate; (d) Dore; (e) Mining by-product; (f) LSM gold; and (g) ASM gold;⁴

Money Laundering means the process by which the financial proceeds of crime are disguised to conceal an illegal origin;

¹ As defined in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas – Supplement on Gold

² See footnote 1 above

³ See footnote 1 above

⁴ See footnote 1 above

Non-Accredited Member means any member of the DMCC who is not an Accredited Member;

OECD Guidance means the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas;

OFCEI means an Other Financial, Commercial and Economical Institution in accordance with Law No. 4 of 2002 Concerning Anti-Money Laundering and Combating Terrorism Financing, being an institution licensed and controlled by parties other than the UAE Central Bank and the Emirates Securities and Commodities Authority;

PEP means a **Politically Exposed Person** as further detailed in Rule 1.8;

Recycled Gold and/or Precious Metals means gold and/or precious metals that has been previously refined, such as end-user, post-consumer and investment gold and/or precious metals and gold and/or precious metals-bearing products, and scrap and waste metals and materials arising during refining and product manufacturing including recovered material from industrial recovery, which is returned to a refiner or another downstream intermediate processor to begin a new life cycle as 'recycled gold'. The origin of Recycled Gold and/or Precious Metals is considered to be the point in the supply chain where the gold and/or precious metals is returned to the refiner or other downstream intermediate processor or recycler;⁵

Resolution means the UAE Cabinet Resolution No. 38 of 2014 Concerning the Executive Regulation of the Federal Law No. 4 of 2002 Concerning Anti-Money Laundering and Combating Terrorism Financing;

Review means an independent audit of an Accredited Member undertaken in accordance with the DMCC Rules for RBD-GPM;

Reviewer has the meaning given to that term in Rule 4.2;

Rules means Part C of the DMCC Rules for RBD-GPM;

Schedule means the schedule set out in Part D of the DMCC Rules for RBD-GPM;

STR means a Suspicious Transaction Report, as further described in the Schedule;

Terrorism Financing means any kind of financial support to those who encourage, plan or engage in terrorism; and

UAE means the United Arab Emirates.

⁵ See footnote 1 above

4. With regard to any matter of interpretation of the DMCC Rules for RBD-GPM, these DMCC Rules for RBD-GPM shall be read and interpreted in conjunction with the DMCC Practical Guidance and the OECD Guidance.
5. For Accredited Members and Reviewers (as defined at Rule 4.2 below), the DMCC Rules for RBD-GPM establish a mandatory framework which goes beyond the concept of guidance and implements strict compliance with the principles underpinning the DMCC Practical Guidance. Non-Accredited Members are encouraged to implement the Rules to the extent applicable to their business.
6. These DMCC Rules for RBD-GPM are implemented to take into account regulatory requirements implemented in the UAE as further described in the Schedule.

PART B – ARTICLES

Article 1. Date of entry into force

1.1 The DMCC Rules for RBD-GPM shall apply for an audit period beginning on or after 01 January 2018(Effective Date).

Article 2. Effect of entry into force

2.1 The DMCC Rules for RBD-GPM shall have the status of “*rules and regulations*” in the sense of the direction given within the Resolution.

Note 1 All Accredited Members and Non-Accredited Members are **strongly recommended** to ensure their own compliance with all laws and regulations relating to the prevention of money laundering, corruption, terrorism financing and the funding of unlawful organisations applicable to them, and are recommended to review (and satisfy themselves as to the contents of) the Schedule.

Article 3. Scope of Application

3.1 Compliance with the DMCC Rules for RBD-GPM is mandatory in respect to:

- (a) all Accredited Members; and
- (b) all Reviewers.

3.2 Non-Accredited Members are encouraged to comply with the DMCC Rules for RBD-GPM on a voluntary basis.

Article 4. Changes to the DMCC Rules for RBD-GPM

4.1 The DMCC may at any time revise or amend all or any part of the DMCC Rules for RBD-GPM.

Article 5. DMCC Enforcement and Sanctions

5.1 The DMCC Rules for RBD-GPM shall be included in, and form part of, the DMCC’s existing legal and regulatory framework.

5.2 In addition to any existing powers of sanction and penalty of the DMCC under its existing legal and regulatory framework, the DMCC shall be considered as a Control Authority for OFCEIs pursuant to the Resolution.

Note 2 All Accredited Members and Non-Accredited Members are **strongly recommended** to review the Schedule, taking into account the role of the DMCC as a Control Authority for OFCEIs pursuant to the Resolution (as further described in the Schedule).

Article 6. Amendment and Restatement of the DMCC Review Protocol

6.1 The DMCC Review Protocol is amended and restated in Annex 3 to the DMCC Rules for RBD-GPM. The amended and restated DMCC Review Protocol shall replace and supersede all previous versions of the same.

PART C – RULES

RULE 1. SUPPLY CHAIN MANAGEMENT SYSTEMS

Rule 1.1 Overriding Principle

Each Accredited Member conducting business in the supply chain relating to Mined Gold and/or Precious Metals and Recycled Gold and/or Precious Metals must implement and maintain systems and procedures which are sufficiently robust to conduct effective due diligence on the Accredited Member's supply chain.

Rule 1.2 Supply Chain

Any reference to the “**supply chain**” or “**suppliers**” in these Rules shall include clients, suppliers, agents, intermediaries and any other relevant entities participating in the Accredited Member's gold and/or precious metals supply chain. .

Any reference to an “**ultimate beneficial owner**” shall mean any person (legally incorporated or natural) holding 5% or more of the share capital in any corporate entity.

Rule 1.3 Policy and Process Implementation

Each Accredited Member must implement and maintain a robust documented policy and detailed processes (**Policy**) to include common principles, standards and processes for responsible supply chain management. The Policy should be consistent with the standard set forth in the model supply chain policy in Annex II of the OECD Guidance and should, as a minimum, include the following:

- (a) scope;
- (b) responsibilities;
- (c) criteria for supply chain due diligence;
- (d) main elements of Know-Your-Customer (**KYC**) processes;
- (e) monitoring and surveillance; and

- (f) training.

Rule 1.4 Minimum KYC Requirements

For the purposes of these Rules, the standards of KYC requirements set out in the Resolution shall be considered as the minimum KYC standards (**Minimum KYC Standards**) to be achieved by the Accredited Member.

Note 1 Accredited Members should be aware that they may also be subject to other KYC requirements set out in other regulations and/or legislation applicable to them

Rule 1.5 Implementation of KYC Systems and Processes

Each Accredited Member shall ensure that its Policy and the implementation of its Policy shall fully satisfy the Minimum KYC Standards and any other KYC requirements set out in these Rules.

Rule 1.6 Specific KYC Requirements

Each Accredited Member shall ensure that its Policy and the implementation of its Policy shall be adequate to identify:

- (a) each supplier and to the extent possible each supplier's supplier;
- (b) each supplier's legal and operating structure; and
- (c) each supplier's ultimate beneficial owner(s).

For gold and/or precious metals sourced from ASM, each Accredited Member shall ensure that its Policy and the implementation of its Policy shall be adequate to identify:

- (a) the origin of each ASM's supply;
- (b) to the extent possible, each ASM's legal and operating structure conforming to the applicable legal framework (where it exists) as well as their engagement in opportunities for formalization as they become available; and
- (c) each ASM's third party service provider(s) (i.e. logistics, processors, transportation, intermediaries, security, etc.) ultimate beneficial owner(s) for ASM located in Conflict Affected or High Risk Areas.

Rule 1.7 Record Keeping and Updating of Information

Each Accredited Member shall keep records of, and continually on an ongoing basis update, the following information:

- (a) for every supplier or ultimate beneficial owner that is a natural person, his/her:
 - (i) full name (as shown on a national identity card or passport);
 - (ii) nationality;
 - (iii) place of residence and original domicile;
 - (iv) employer details (if any); and
 - (v) a complete and accurate copy of a valid identity card or passport (the copy should be certified);

- (b) for every supplier or ultimate beneficial owner of a supplier that is a corporate entity:
 - (i) its legal status and category of entity;
 - (ii) its full name;
 - (iii) its domicile or country of registration;
 - (iv) a description of its principal business activities;
 - (v) the address of its registered office and principal place of business (if different);
 - (vi) the KYC requirements of each legally authorised representative that is a natural person (in accordance with (a) above);
 - (vii) a copy of the instrument(s) authorising each of its legally authorised representatives;
 - (viii) the KYC requirements of each ultimate beneficial owner (in accordance with (a) above for natural persons and in accordance with this (b) for corporate entities), except for government entities and publicly listed companies for which such information is publicly available;
 - (ix) a copy of its constitutional documents; and
 - (x) a copy of its valid commercial or professional licence or registration.

Rule 1.8 KYC Requirements for Politically Exposed Persons

If a supplier or any ultimate beneficial owner of a supplier is considered to be a politically exposed person (**PEP**), each Accredited Member must document and follow specific internal escalation procedures to ensure that the matter is addressed at the appropriate internal authority level and dealt with in accordance with the Minimum KYC Standards.

In addition to meeting the Minimum KYC Standards, each Accredited Member must establish the source of wealth of PEPs and their families and associated persons and are required to implement adequate transaction monitoring systems for the transactions of PEPs, as further described in the Resolution.

Rule 1.9 Appointment of a Dedicated Supply Chain Officer

Each Accredited Member must appoint a person to carry out the role of a dedicated compliance or risk officer (**Supply Chain Officer**). The Supply Chain Officer must:

- (a) be a senior member of staff of the Accredited Member;
- (b) have the necessary competence, knowledge, experience and training in supply chain due diligence and KYC processes;
- (c) be provided with all resources necessary to perform his/her functions and role in accordance with these Rules; and
- (d) be able to communicate critical information to senior management, staff and suppliers.

Rule 1.10 Functions and Duties of the Supply Chain Officer

The Supply Chain Officer shall:

- (a) review and sign off on each gold and/or precious metals supply chain due diligence exercise;
- (b) continually monitor and assess the Accredited Member's supply chain due diligence processes;
- (c) ensure that the Policy and each associated due diligence exercise carried out by an Accredited Member are adequate for the purposes of these Rules;
- (d) train staff and promote awareness within the Accredited Member's organisation with respect to responsible supply chain due diligence, the Accredited Member's Policy, KYC requirements and applicable laws; and
- (e) update the Policy and related processes as and when required.

Rule 1.11 Appointment of a Controller

Each Category-A Accredited Member must appoint a "controller" (**Controller**) in accordance with the Resolution to carry out the functions of such role as set out in the Resolution. For the purposes of these Rules, the Controller may be the same person as the Supply Chain Officer.

Each Category-A Accredited Member shall ensure that the Controller:

- (a) is able to operate and function independently from other departments and individuals within the Category-A Accredited Member's organisation structure; and
- (b) is provided with unfettered access to the board of directors of the Category-A Accredited Member.

Rule 1.12 Functions and Duties of the Controller

Each Category-A Accredited Member shall ensure that its Controller is familiar with, and carries out its role and function in accordance with the requirements of the Resolution.

In addition to his/her requirements under the Resolution, the Controller shall:

- (a) immediately upon submitting any STR to the FIU, provide a copy of that STR to the DMCC; and
- (b) immediately upon submitting a copy of each bi-annual report (together with the notes and resolutions of the senior management in response to such report) to the FIU, provide a copy of that report and notes to the DMCC, as required under the Resolution,

(and such copy in each case will be sent to: responsiblesupplychain@dmcc.ae in accordance with Annex 1 – DMCC Whistleblowing Policy.

Note 2 Category-A Accredited Members are reminded that the functions of the Controller as set out in the Resolution include:

- (a) verifying compliance with the Resolution of the obligations of the Category-A Accredited Member in the context of applicable legislation relating to the prevention of money laundering, terrorism financing and the funding of unlawful organisations;
- (b) confidentially retaining and inspecting all records necessary for the proper fulfilment of its tasks;
- (c) receiving, examining and considering suspicious transactions, notifying the FIU of any suspicious transaction, and submitting any required STR to the FIU;
- (d) reviewing and proposing amendments to internal regulations and due diligence procedures relating to the prevention of money laundering, terrorism financing and the funding of unlawful organisations;
- (e) preparing bi-annual reports to senior management and sending a copy of such reports (together with the notes and resolutions of the senior management in response to such reports) to the FIU in accordance with the Resolution; and
- (f) implementing adequate personnel training and qualification programmes.

Rule 1.13 Records of Internal Inventory and Transactional Documentation

Each Accredited Member must develop and maintain internal documentation and records of supply chain due diligence to cover internal inventory and transactional documentation which shall include:

- (a) details of physical form, type (i.e. Mined Gold and/or Precious Metals, or Recycled Gold and/or Precious Metals) and physical description of gold and/or precious metals including any imprints and/or hallmarks;

- (b) details of weight and assay of gold and/or precious metals after proper internal verification and/or third-party verification;
- (c) full KYC due diligence of all suppliers including their due diligence practices e.g. information on suppliers' due diligence process and KYC requirements. Accredited Members shall encourage their suppliers to, adopt processes and policies similar to the Policy and the Minimum KYC Standards;
- (d) the unique reference number of each entry/input and exit/output;
- (e) the name, stamp and logo of the refiner/producer/manufacturer (if applicable);
- (f) the year of refining/production (if applicable);
- (g) the dates of applicable purchases and sales including financial transaction information (such as payment amount, currency, mode of payment, etc.);
- (h) the mode of payment;
- (i) an inventory list classified as per supplier;
- (j) a "Track and Trace" mechanism for tracing products back to purchased material, which shall include (where applicable):
 - (i) shipping/transportation documents;
 - (ii) sales documents with specific lot numbers;
 - (iii) mining licence(s) and related permissions (for mined gold and/or precious metals);
 - (iv) import/export licence(s) and form(s); and
 - (v) reconciliation of documentation.

Accredited Members shall avoid, where practicable, cash purchases and ensure that all unavoidable cash purchases of minerals are supported by verifiable documentation and preferably routed through official banking channels. Cash purchases shall, in any event, be made in compliance with the provisions of the DMCC's Anti-Money Laundering and Combatting Financing of Terrorism Policy.

Rule 1.14 Record Keeping

Each Accredited Member must keep relevant records, files, documents, papers, communications and forms related to its compliance with these Rules and its KYC obligations for at least five years from the latest of:

- (a) the date of the most recent transition in respect of the latest material intake from a supplier;

- (b) the date of conclusion of a complete inspection by the DMCC;
- (c) the date of closing of the account of the supplier or termination of the relationship with the supplier; and
- (d) date of closing of an investigation on a particular transaction or supplier.

Each Accredited Member is advised to keep relevant records, files, documents, papers, communications and forms related to relations with potential suppliers that were not entered into or progressed due to a high-risk evaluation by the Accredited Member, for at least two (2) years from the date the decision was taken not to enter into or progress the relationship.

Rule 1.15 Enhanced Relationships with Suppliers

Each Accredited Member must continually attempt to enhance communications and relationships with each of its suppliers, and encourage each supplier to commit to a supply chain policy consistent with the DMCC Rules for RBD-GPM and Annex II of the OECD Guidance. This can be achieved through the following means:

- (a) maintaining adequate KYC due diligence processes for suppliers in accordance with these DMCC Rules for RBD-GPM, and reviewing suppliers' own due diligence practices;
- (b) establishing long-term relationships with each supplier;
- (c) sharing with each supplier the DMCC Rules for RBD-GPM and the Accredited Member's obligations under the DMCC Rules for RBD-GPM;
- (d) communicating expectations that each supplier commits to the compliance and undertakes mineral supply chain due diligence and risk management consistent with the DMCC Rules for RBD-GPM and Annex II of the OECD Guidance;
- (e) incorporating the provisions of the DMCC Rules for RBD-GPM and audit and monitoring rights into contracts and/or agreements and KYC forms with each supplier; and
- (f) considering ways to support and build capabilities of suppliers to ensure compliance with the Accredited Member's Policy and the DMCC Rules for RBD-GPM.

Rule 1.16 Uncooperative Suppliers

If any Accredited Member reasonably concludes that a supplier is not providing a sufficient degree of cooperation to enable it to carry out its obligations under the DMCC Rules for RBD-GPM (**Uncooperative Supplier**), the Accredited Member is recommended to seek disengagement from such supplier and is required to:

- (a) document the Accredited Member's efforts in accordance with these Rules (including Rule 1.15) and
- (b) report the matter to the DMCC, upon request by DMCC.
- (c) details of such disengagement of suppliers should be included in the management report

Note 3 Any Accredited Member dealing with an Uncooperative Supplier should also refer to the DMCC Whistleblowing Policy (Annex 1).

Note 4 Any Category-A Accredited Member dealing with an Uncooperative Supplier should be mindful of its obligations under the Resolution (including in relation to any possible requirement to submit an STR to the FIU).

Rule 1.17 Security Requirements

Each Policy must include adequate security requirements to ensure compliance with these DMCC Rules for RBD-GPM, in particular, in relation to material sourced from LSM or ASM mining companies. These requirements may include any of the following:

- (a) using identifiable sealed security boxes for each shipment to avoid any tampering or removal of content;
- (b) physically segregating different shipments until verification is adequately completed and confirmed in accordance with Rule 1.13;
- (c) reporting any inconsistencies to senior management, the Supply Chain Officer and/or the Controller (as appropriate);
- (d) regarding any supplier with whom problematic issues recur as an Uncooperative Supplier in accordance with these Rules;
- (e) ensuring that any assessor of a shipment is independent from any conflict of interest;
- (f) if applicable, verify a supplier's participation in the Extractive Industry Transparency Initiative (EITI).

Note 5 For a guide on how business can support EITI, see <http://eiti.org/document/businessguide>.

Rule 1.18 Cooperation with law enforcement agencies

Each Accredited Member must cooperate fully and transparently at all times with law enforcement agencies and customs officials (**Officials**) regarding gold and/or precious metals transactions. Each Accredited Member must provide any necessary access to information required by Officials, regarding shipments that cross international borders, or shipments to which an Official has jurisdiction, in compliance with applicable laws.

Training of staff and KYC

Each Accredited Member must perform a KYC check on its relevant staff for example the compliance/supply chain officer, members of operations directly involved in the intake of material etc. during the staff on-boarding process and thereafter an update, on an on-going basis, every six calendar months. Such KYC checks shall include checking an employee's full name, date and place of birth, nationality, residence, contact details, previous activities and occupations, copy of identity document and searches on sanctions list.

Each Accredited Member must implement a training programme (**Training Programme**) for all persons involved in the responsible supply chain due diligence, which shall include regular training for new staff and refresher sessions for existing staff to be conducted based on the level of risks and job profiles in engaging with the supply chain participants.

Each Category-A Accredited Member must incorporate the training obligations of the Controller set out in the Resolution into its own Training Programme.

Each Category-B Accredited Member is required to incorporate the training obligations of the compliance officer set out in the Resolution into its own Training Programme.

Rule 1.19 Grievance Mechanism

Each Accredited Member must establish a grievance mechanism for internal and external stakeholders who are impacted by the Accredited Member's operations to enable those stakeholders to voice concerns relating to an Accredited Member's risk management processes and supply chain policy to the senior management.

RULE 2. SUPPLY CHAIN RISK IDENTIFICATION AND ASSESSMENT

Rule 2.1 Overriding Principle

Each Accredited Member conducting business in the gold and/or precious metals supply chain is required and be individually responsible for applying and implementing its Policy and management system and mapping its supply chain in order to identify and assess the risks of contributing to conflict, Money Laundering, Terrorism Financing or serious Human Rights abuses, associated with gold and/or precious metals which they produce, distribute, transport, export, sell and/or purchase.

If the Accredited Member can reasonably determine on the basis of the information collected under Rule 1 that it does not deal in gold and/or precious metals mined, transported or traded in a Conflict-Affected and High-Risk Area, no additional due diligence is required. The management systems established in Rule 1 should be maintained and regularly reviewed.

If the Accredited Member is not able to reasonably determine on the basis of the information collected under Rule 1 that it does not deal in gold and/or precious metals mined, transported or traded any in a Conflict-Affected and High-Risk Area, it is mandatory to carry out an additional, more in-depth due diligence in accordance with t Rule 2..

Rule 2.2 Risk-based Approach

Each Accredited Member must conduct an internal risk assessment carried out on a risk-based approach (**Risk Assessment**) on each party, included or third parties involved in the supply chain for gold and/or precious metals from the mine(s) to the Accredited Member including third party service providers (i.e. logistics, transporters, processors and intermediaries).

Rule 2.3 Considerations of Risk Assessments

In carrying out any Risk Assessment, each Accredited Member shall take into account the following considerations (as applicable to the circumstances of the Risk Assessment):

- (a) the geographical origin and location of gold and/or precious metals, based on reasonable and good faith efforts, including consideration of:
 - (i) the origin, location and transportation;
 - (ii) the level of government regulation and supervision;
 - (iii) the extent of cash transactions used in the country;
 - (iv) the level of conflicts or Human Rights abuses in any location comprising part of the supply chain;

- (v) payment systems used;
- (vi) the level of involvement or potential involvement of any criminal organisation;
- (vii) the level of involvement or potential involvement of any high-risk businesses (such as gaming and casinos, etc.);
- (viii) the level of access from a location comprising part of the supply chain to nearby markets or processing operations that are termed as conflict and/or high risk areas;
- (ix) the level of enforcement of laws addressing significant criminal activity; and
- (x) the existence of sanctions and/or embargoes that have been directed against the country and/or individuals/entities in that country;

Note 6

In taking into account payment systems used under Rule 2.3(a)(v), Accredited Members should take into account the distinction between formal and informal banking methods (e.g. Hawalas).

(b) counterparties in the supply chain, including consideration of:

- (i) KYC information of the Accredited Member's suppliers as identified under Rule 1 (including information about the origin and transportation of the gold and/or precious metals);
- (ii) any Red Flags (as defined in Rule 2.4 below) identified in any part of the entire supply chain;
- (iii) the number of participants in the supply chain (i.e. the greater the number, the higher the risk);
- (iv) the level of control that a counterparty has over its own suppliers;
- (v) the level and adequacy of the due diligence practices of a counterparty;
- (vi) whether a counterparty's due diligence practices have been audited by a qualified third-party auditor;
- (vii) for how long the counterparty has been carrying out activities in the gold and/or precious metals business;
- (viii) a counterparty's willingness to disclose its beneficial owners;
- (ix) a counterparty's attempts to be or remain anonymous (e.g. through the use of third party intermediaries such as lawyers, accountants, etc.);
- (x) the scale of mining operations of a supplier (ASM or LSM), if applicable; and

- (xi) the involvement of any PEPs that have been entrusted with prominent public functions or individuals who are closely related to such persons;
- (c) applicable transactions, including consideration of:
 - (i) the proportionality of the due diligence to the identified risks and severability and probability of adverse impacts of the applicable transaction;
 - (ii) gold and/or precious metals that are transported and/or exported which are not reasonably reconciled with the declared location of the origin;
 - (iii) unexplained geographic distance in the supply chain;
 - (iv) the nature of the underlying assets (for example melted recyclable gold and/or precious metals transactions may be higher in risk than unprocessed recyclable gold and/or precious metals);
 - (v) the level of concentration of gold and/or precious metals;
 - (vi) any unusual circumstances that are not consistent with the local or market practices (amount, quality, potential profit, etc.);
 - (vii) the use of cash in excess of government thresholds;
 - (viii) payment by cash and/or physical delivery to unrelated third parties; and
 - (ix) transaction structuring to make payments in smaller multiple transactions to avoid government thresholds.

Rule 2.4 Red Flags

For the purposes of these Rules, a Red Flag shall be any (including a combination or aggregate of more than one) of the following:

- (a) Location-based Red Flag, as further described below;
- (b) Supplier-based Red Flag, as further described below; or
- (c) Circumstances-based Red Flag, as further described below.

Rule 2.5 Location-based Red Flags

A **Location-based Red Flag** shall be the occurrence of, or the reasonable suspicion of the occurrence of, any of the following circumstances:

- (a) the gold and/or precious metals originate from or have been transported through a Conflict-Affected and High-Risk Area;
- (b) the gold and/or precious metals are claimed to originate from a country that has limited known reserves or stocks, likely resources or expected production levels of gold and/or precious metals (for example where the declared volumes of gold and/or precious metals from that country are in excess of its known reserves and/or expected production levels);
- (c) the gold and/or precious metals are claimed to originate from a country through which gold and/or precious metals from Conflict-Affected areas are known or reasonably suspected to transit; or
- (d) the gold and/or precious metals are claimed to originate from recyclable/scrap or mixed sources and has been refined in a country where gold and/or precious metals from Conflict-Affected and High-Risk Areas is known or reasonably suspected to transit.

Note 7

Accredited Members are reminded that when assessing the considerations for Location-based Red Flags set out in Rule 2.5, the risk is increased when anti-money laundering laws, anti-corruption laws, customs controls and other relevant government laws are weakly enforced, informal banking systems operate, and/or cash is extensively used.

Rule 2.6 Supplier-based Red Flags

A **Supplier-based Red Flag** shall be the occurrence of, or the reasonable suspicion of the occurrence of, any of the following circumstances:

- (a) a supplier or other participant in the supply chain of gold and/or precious metals operates in any location that could give rise to a Location-based Red Flag, or has a shareholder or other interests in any supplier of gold and/or precious metals from one of the above-mentioned locations; or
- (b) a supplier or other participant in the supply chain of gold and/or precious metals is known to have sourced gold and/or precious metals from any location that could give rise to a Location-based Red Flag in the twelve (12) months previous to the applicable transaction.

Rule 2.7 Circumstances-based red flags

A **Circumstances-based Red Flag** shall be the occurrence of any anomalies or unusual circumstances that are identified through the information collected under Rule 1 to give rise to reasonable suspicion that the gold and/or precious metals applicable to any transaction of the Accredited Member may contribute to any conflict or serious abuses associated with the extraction, transportation of and/or trading in gold and/or precious metals.

Rule 2.8 Procedures relating to Red Flags

- (a) Accredited Members must review all Red Flags in an in-depth and detailed manner;

- (b) if an Accredited Member has reasonable grounds to suspect that a prospective transaction with a supplier may result in a Red Flag, it must conduct enhanced research prior to engaging in and concluding the transaction. Such enhanced research is aimed at obtaining evidence of any factual circumstances of the supply chain in order to determine any risks. Such research should include some or all of the research methods specified below taking into account the risk based proportionalities to the level of the risks identified in Rule 2.3 to 2.7;
- (c) the research methods that shall comprise Desk Research, On-Site Visits and Random Sample Verification;
- (d) **Desk research** includes (where available):
 - (i) identifying each company in the supply chain;
 - (ii) identifying the ultimate beneficial owner(s) of each company in the supply chain;
 - (iii) obtaining financial information (such as balance sheets, annual reports, rating agencies' reports, insolvency information) on each company in the supply chain;
 - (iv) ensuring that each company in the supply chain holds the necessary permits and licences;
 - (v) ensuring that each company in the supply chain is not listed on any sanctions and/or embargoes list; and
 - (vi) reviewing research reports including those from governments, international organisations, NGOs and media, maps, UN reports and UN Security Council sanctions, industry literature relating to mineral extraction and its impact on conflict, Human Rights or environmental harm in the country of potential origin, or other public statements (e.g. from ethical pension funds).

Note 8

In carrying out Desk Research, Accredited Members should be mindful of the Minimum KYC Standards and any other laws relating to the prevention of money laundering or corruption, terrorism financing or the funding of unlawful organisations that are applicable to the Accredited Member.

- (e) **On-Site Visits** includes individual visits to gold and/or precious metals suppliers, or joint on-the-ground assessment teams, teaming up with industry or multi-stakeholder mechanisms or initiatives, or using suitably qualified, knowledgeable and independent assessors, to generate and maintain information on the circumstances and processes of the following activities listed in the OECD Guidance:
 - (i) gold and/or precious metals extraction (for LSM whether mined by medium and large-scale mining in red flagged operations or LSM gold purchased from other sources), physical access to mines, mine capacity against recorded mine production and discrepancies);

- (ii) gold and/or precious metals processing (consolidation, blending, crushing, milling, smelting, refining, etc. and recording any discrepancies in the processing and/or production and related capacity of the facility to perform relevant activities);
- (iii) handling of gold and/or precious metals (inventory, trans-shipment, relabeling, etc.);
- (iv) transportation of gold and/or precious metals;
- (v) trading of gold and/or precious metals (including importing and exporting); and
- (vi) the weight and assayed quality characteristics of the gold and/or precious metals that are used in the above-mentioned activities;
- (vii) taxes, fees, royalties, compensation or other payments to governments which relate to the extraction, trade, transport and export of gold and/or precious metals;
- (viii) where applicable, request information from mining suppliers about their participation in the EIT;
- (ix) payments made to public or private security forces or other armed groups;
- (x) use or presence of security services, training of security personnel, associated risks;
- (xi) evidence of serious abuses of Human Rights;
- (xii) relationships between LSM and ASM, information on ASM operating on the sites of, or selling through LSM;
- (xiii) for ASM gold only, identification of the suppliers of ASM gold and/or precious metals, mine of origin, transportation, processing, taxes, royalties and other payments to governments, KYC information, evidence of serious abuses of Human Rights, information on any direct or indirect support to non-state armed groups or public or private security forces; and
- (xiv) for recyclable gold and/or precious metals, value and place of transaction, type of material, type and organisation of supplier, manufacturing facilities, and unusual circumstances.

(f) **Random Sample Verification** involves the verification of transactional records.

Rule 2.9 Policy Updating and Suitability

Each Accredited Member's Policy should contain suitable systems, procedures and processes for risk identification and assessment (including suitably addressing Red Flags) and such systems, procedures

and processes should be updated continually on an ongoing basis upon the occurrence of the change of any relevant circumstances.

Note 9

Category-A Accredited Members are reminded of their obligations under the Resolution in relation to the filing of STRs with the FIU.

RULE 3. RISK CONTROL PLAN

Rule 3.1 Overriding Principle – Development of Risk Control Plan

Each Accredited Member must develop and implement a plan and policy to evaluate and control any identified risk(s), including emerging risks and incident reporting, and mitigate against any adverse implications of such risk(s) (**Risk Control Plan**). The Risk Control Plan is designed to assist Accredited Members in making informed decisions in respect of: a) continuing to trade but with measurable risk mitigation for low risk situations; b) temporarily suspending trade while mitigation is implemented for medium risk situations; or c) ceasing to trade with a concerned supplier for high risk situations in accordance with the OECD Guidance.

Rule 3.2 Alignment with International Standards

Each Accredited Member must develop or adapt on a continuing basis its Risk Control Plan to include internationally accepted common principles, standards and processes for responsible supply chain management. In particular, Accredited Members should carry out at least one annual review of the Policy and management systems, and a further review when there is a major change in circumstances, their business, operations or supply base, risk nature, or a major change in applicable rules and regulations. In developing Risk Control Plans, each Accredited Member should engage in or support, where appropriate, industry or other programmes on responsible supply chain management. For instance, Refiners are encouraged to support legitimate ASM producers to build secure, transparent and verifiable gold supply chains (consistent with the OECD Guidance).

Rule 3.3 Content Requirements

Each Risk Control Plan should include the following (**Content Requirements**):

- (a) reporting mechanisms for identified risks to the Accredited Member's senior management and Supply Chain Officer and Controller;
- (b) enhanced engagement with the internal functions of the Accredited Member, in charge of transparency, information collection and control over the supply chain;
- (c) enhanced engagement with suppliers through establishing a chain of custody and/or traceability system where a Red Flag has been identified;
- (d) enhancement of the physical security practices as referred to in Rule 1.17;
- (e) physical segregation and security of shipments where a Red Flag has been identified;
- (f) incorporation of rights of the Accredited Member to conduct additional checks on any supplier or ultimate beneficial owner where a Red Flag has been identified;

- (g) continuity of trading activities while developing risk mitigation controls (including measurable steps, monitoring, review of performance, and reporting to senior management), such as:
 - (i) building and/or exercising leverage over the participants in the supply chain who can most effectively mitigate the risks;
 - (ii) temporarily suspending trading activities with a specific supplier where a Red Flag has been identified; and
 - (iii) disengaging for at least 3 months, with a specific supplier who fails to comply with the mitigating controls within a period of 6 months, and/or disengaging entirely if such controls are not feasible and/or unacceptable in light of the cost-benefit analysis and the capabilities of the Accredited Member conducting the due diligence;
- (h) consulting with suppliers and affected stakeholders and agreeing on the risk mitigation controls which should be adapted to the Accredited Member's specific suppliers and the contexts of their operations, state clear performance objectives and provide for sufficient time for affected stakeholders to review and implement;
- (i) reviewing on a regular basis the results of the mitigation measures, undertaking additional fact and risk assessment for risks requiring mitigation or after a change of circumstances, as per Rule 2;
- (j) communicating to senior management.

Note 10

Where a Red Flag has been identified, the Accredited Member may consider the following as an indicative measure of an approach to activities with the relevant supplier:

Risk Level	Control Mechanism
Low	Start or continue trading activities
Medium	Start or continue trading activities whilst mitigating the identified risks
High	Suspend trading activities whilst mitigating the identified risks by obtaining additional information/data confirming or refuting the adverse risk assessments; OR disengage from the source(s) of the risk within a reasonable time frame (to be assessed on a case by case basis)

RULE 4. INDEPENDENT THIRD-PARTY AUDITS

Rule 4.1 Overriding Principle

Each Accredited Member is required to ensure its own compliance with the DMCC Rules for RBD-GPM and arranging at their own cost for this compliance to be reviewed by an independent third-party reviewer as stipulated in Rule 4.2.

Rule 4.2 DMCC Review Protocol

The DMCC Review Protocol (Annex 3) sets out the methodology the DMCC requires each auditor (when acting as a “reviewer” in the meaning given to that term in the DMCC Review Protocol) (**Reviewer**) to comply with when conducting any independent third-party audit (if instructed to do so) of an Accredited Member (**Review**).

Note 11 Each Reviewer or prospective auditor is reminded that it may qualify under the Resolution as an OFCEI and is recommended to verify any additional obligations that may apply to it under the Resolution.

Rule 4.3 Minimum Review Requirements

In carrying out any Review, each Reviewer must verify the following:

- (a) the adequacy of the related policies and processes to implement the DMCC Rules for RBD-GPM (as well as the obligations stemming from the Resolution);
- (b) the adequacy of external and internal controls to mitigate risks;
- (c) the conformity to and compliance with the DMCC Rules for RBD-GPM in all communications with participants across the entire supply chain;
- (d) the establishment of the chain of custody and traceability of information for all activities; and
- (e) the implementation of on-going risk assessment using a risk-based approach including the adequacy (taking into account timing and method) of the Accredited Member’s response to the outcome(s) of the risk assessments.

Rule 4.4 Minimum Requirements of Reviewers

Each Reviewer must have the following characteristics:

- (a) independence from the Accredited Member subject to the relevant Review;
- (b) no conflict of interest between the Reviewer and the Accredited Member subject to the relevant Review;
- (c) no specific services being provided by the Reviewer to the Accredited Member in relation to any due diligence exercise (other than general related guidance); and
- (d) the competence to carry out the relevant Review.

Each Reviewer must keep confidential the confidential information of the Accredited Member, subject to any legal requirements of disclosure or any other reasonable requirements of the Accredited

Member, taking into account all circumstances (including the nature and ownership of the information and any previous dissemination of such information).

Any auditing entity that wishes to become a Reviewer must submit a completed DMCC Approved Reviewer Application Form (Annex 2) and meet the minimum criteria for Reviewers as set out in the DMCC Review Protocol. Such application is subject to the terms and conditions of the DMCC Approved Reviewer Application Form.

Rule 4.5 Composition of the Review

The following activities shall be included in each Review:

- (a) sufficient preparation of the Review, including the development of a detailed audit plan;
- (b) on-site investigations of the Accredited Member, including:
 - (i) review of the Accredited Member's facilities; and
 - (ii) review of a list of the Accredited Member's suppliers;
- (c) consultations with the Accredited Member's risk assessment team, Supply Chain Officer and Controller (as applicable);
- (d) audit conclusion, including the validation, reporting and recording of findings that determine the level of conformity of the Accredited Member's supply chain due diligence with the DMCC Rules for RBD-GPM; and
- (e) provide recommendations to the Accredited Member to improve its due diligence practices.

Note 12 In relation to Rule 4.5, Category-A Accredited Members are reminded of Rule 1.12 above.

Rule 4.6 Annual Report on Supply Chain Due Diligence

Each Accredited Member shall produce an annual report. This shall include a summary of the Review in accordance with Step 5 of the OECD Guidance and Sections 16 and Section 19 (as applicable) of the DMCC Review Protocol (Annex 3).

Rule 4.7 Review Programmes of Accredited Members

Each Accredited Member must demonstrate its compliance with these DMCC Rules for RBD-GPM to the DMCC. In carrying out such obligation, each Accredited Member must implement an audit programme, which shall include:

- (a) ensure conformity with the DMCC Rules for RBD-GPM;
- (b) selecting and engaging its Reviewer(s) in conformity with the DMCC Rules for RBD-GPM;

- (c) observing and fully cooperating with each Reviewer;
- (d) implementing all recommendations provided by any Reviewer; and
- (e) upon request, providing a copy of any Review report to the DMCC or any authority that regulates or otherwise governs the Accredited Member.

RULE 5. ANNUAL REPORTING ON RESPONSIBLE SUPPLY CHAIN DUE DILIGENCE

Rule 5.1 Overriding Principle

Each Accredited Member is required to publicly report annually on its supply chain due diligence in compliance with Step 5 of the OECD Guidance, in order to generate public confidence in the measures that it has implemented.

Rule 5.2 Minimum Requirements of Public Reporting

At minimum, each Accredited Member shall:

- (a) publicly acknowledge its requirements under these Rules; and
- (b) comply with Rule 4.6.

PART D - SCHEDULE

Introduction and Purpose

This schedule (**Schedule**) contains background information to facilitate the understanding of the content of the Rules, the legislative framework (and background to such framework) within which the DMCC Rules for RBD-GPM operate and the meaning of certain terms within the DMCC Rules for RBD-GPM.

DMCC Practical Guidance

In April 2012, the DMCC introduced the DMCC Practical Guidance to assist global market participants across the entire supply chain of gold and/or precious metals to conduct the necessary due diligence (using a risk based approach) for responsible sourcing of gold and/or precious metals.

The DMCC Practical Guidance was developed by the DMCC in consultation with the Organisation for Economic Cooperation and Development (**OECD**), the DMCC's Dubai Gold Advisory Group (**DGAG**) and participants in the global markets for gold and precious metals. The OECD also engaged the DMCC to join its drafting committee and to assist in the development of the OECD's *Supplement on Gold for conducting gold responsible sourcing due diligence from conflict affected and/or high-risk areas (Final Draft Supplement on Gold)* (**OECD Guidance**).

In June 2012, the DMCC made it a mandatory requirement for all members of the DMCC that are subject to any of the Accreditation Standards to comply with and implement all of the provisions of the DMCC Practical Guidance.

The DMCC Rules for RBD-GPM version 1.1, shall replace and supersede all the previous versions.

DMCC Review Protocol

The DMCC developed the DMCC Review Protocol to assist Accredited Members and other global market participants to ensure implementation of the DMCC Practical Guidance. DMCC-approved auditors have been required to use the DMCC Review Protocol when conducting assessments on gold and/or precious metals market participants' due diligence practices to determine compliance with the DMCC Practical Guidance.

The DMCC Review Protocol has been amended and restated as set out in Part E, Annex 3 to the DMCC Rules for RBD-GPM (primarily for synergy with Part C of the DMCC Rules for RBD-GPM). The DMCC Review Protocol shall continue to be required for use by auditors to assess the compliance of Accredited Members with the DMCC Rules for RBD-GPM.

The Resolution

The DMCC Rules for RBD-GPM take into account the requirements of the Resolution and the Federal Law No. 4 of 2002, as amended by Federal Law No 9 of 2014 (*On Anti Money Laundering and Combating Financing of Terrorism*) (**Law No. 4 of 2002**).

The DMCC Rules for RBD-GPM have been designed to enable Accredited Members to not only maintain compliance with the relevant UAE regulatory framework pursuant to the Resolution and Law No. 4 of 2012 but also to adhere to the OECD Guidance.

Law No. 4 of 2002

Law No. 4 of 2002 sets out specific provisions relating to OFCEIs, who include institutions carrying out non-financial activities and professions, which includes specifically jewellery and precious metals and stones traders. Any member company of the DMCC that deals with jewellery, precious metals and/or stones (**Relevant Member**) would be considered an OFCEI for the purposes of Law No. 4 of 2002. In addition, any institution that is not a Relevant Member, but deals with gold and/or precious metals while being regulated by another Control Authority (as defined below) in the UAE would also be considered an OFCEI for the purposes of Law No. 4 of 2002.

A primary objective of the Resolution and Law No. 4 of 2002 is to provide an effective tool aimed at avoiding money laundering and the financing of terrorism, and to provide for a framework within which Suspicious Transactions are duly recognised and reported. These reports are known as Suspicious Transaction Reports, or STRs. “*Suspicious Transactions*” under Law No. 4 of 2002 are considered those transactions, where reasonable grounds arise to suspect that funds are the proceeds of a felony or a misdemeanour or are related to financing of terrorism or to the financing of unlawful organisations, whether these transactions are carried out or attempted to be carried out.

DMCC as Control Authority

Pursuant to the Resolution, the DMCC is a **Control Authority**. A Control Authority is specifically vested with the authority:

- (a) to implement rules, regulations, forms and procedures related to the prevention of money laundering, combating terrorism financing and funding unlawful organisations, to be applied by (*inter alia*) OFCEIs (and notably with a view to implementing and enforcing standards in relation to client identification, the determination of ultimate beneficiaries, record keeping and the submission of STRs to the FIU);
- (b) to implement procedures to verify (*inter alia*) that OFCEIs are compliant with the provisions of Law No. 4 of 2002 and the Resolution and any other specific laws in relation to anti-money laundering, combatting terrorism financing or funding unlawful organisations in the UAE; and
- (c) to organise awareness programmes and campaigns in connection with anti-money laundering, combating terrorism financing or funding unlawful organisations,

each according to its powers.

Law No. 7 of 2014

Under Law No. 4 of 2002, the financing of terrorism is the provision and/or collection of funds, or ensuring obtaining or transporting the same by any means, directly or indirectly, to any association, entity, organisation, centre, group, gang or any persons against whom the provisions of Federal Law No. 7 of 2014 *on Combating Acts of Terrorism* apply (**Law No. 7 of 2014**).

Law No. 7 of 2014 defines a Terrorist Organisation as a group formed of two or more persons, which acquires legal personality *ipso jure* or which is created *ipso facto*, that commits a terrorist act, directly participates in, threatens of, aims at, plans, seeks, promotes or aids the commission of such act regardless of the name, form, place of establishment, location, nationality or place of existence of its members.

Additional Obligations of the DMCC

In addition to its obligations as a Control Authority, the DMCC undertakes to implement specific controls in relation to its members under the Anti-Money Laundering and Combating the Financing of Terrorism (**AML/CFT**) Policy and Process (the **DMCC AML/CFT Policy**) and the DMCC Guidance for Risk Based Compliance for Designated Non-Financial Business and Professions (the **DMCC Guidance for DNFBPs**).

As part of the AML/CFT Policy, the DMCC undertakes to carry out detailed identification, verification and KYC processes in relation to the licensing and on-going supervision of its members. The DMCC undertakes to cooperate fully with relevant authorities. As part of such cooperation, the DMCC will (to the extent permitted or required) share such information as it deems appropriate to further the objectives set forth in the DMCC Rules for RBD-GPM and the AML/CFT Policy. This cooperative approach is a further expression of the DMCC's "zero tolerance" position with regard to AML/CFT.

Where there is any discrepancy between:

- (i) the AML/CFT Policy; and
- (ii) the provisions of the Resolution and/or Law No. 4 of 2002,

the latter provisions will prevail.

It is also noted by the DMCC that the UAE is a member state of the United Nations and hence, is bound to implement any applicable sanctions (which are assumed for the purposes of the DMCC Rules for RBD-GPM to have direct effect in the UAE). In addition, it is noted that Law No. 7 of 2014 as well as Cabinet Decision No. 35 of 2014 *on the Terrorism Lists Regulation* sets forth that the Supreme National Security Council of the UAE shall establish one or more lists of

terrorist persons and organisations which pose risk to the state or that the state is internationally bound to include in said lists.

Various other relevant sources of findings, recommendations, guidance, directives, resolutions, sanctions, notices or other conclusions (**Source Materials**) exist that have relevance in the context of AML/CFT, including Source Materials issued by the government of the UAE or any government departments in the UAE, the Central Bank of the UAE, the Financial Action Task Force and other UAE enforcement agencies. Irrespective of whether such other Source Materials may not have direct application in the UAE, the information in such other Source Materials may be a clear indicator on the possible (increased) risk of involvement with Money Laundering or Terrorism Financing.

Additional Guidance for Accredited Members

Accredited Members are required to establish and maintain systems and controls to make appropriate use of all relevant Source Materials in determining if there is any risk of involvement with Money Laundering or Terrorism Financing. The mere fact that certain Source Materials do not apply directly in the UAE does not support any conclusion that such other Source Materials have no relevance to the business of an Accredited Member.

Accredited Members and any other persons implementing compliance with the DMCC Rules for RBD-GPM are encouraged to be proactive in obtaining and appropriately using available national and international information, including suspect lists or databases from other credible public or private sources (for example lists maintained by the Office of Foreign Asset Control or OFAC in the United States) with regard to Money Laundering and Terrorism Financing.

The DMCC recommends that all Accredited Members and Non-Accredited Members conduct regular checks of their supplier and business relationship databases and records for any names appearing on such lists and databases as well as monitoring transactions accordingly and to determine if an obligation has arisen to submit an STR with the FIU.

Accredited Members and Non-Accredited Members should note:

- (a) that the DMCC Rules for RBD-GPM constitute sector-specific additions to the applicable regulatory framework relating to the subject matter of the DMCC Rules for RBD-GPM and mere compliance with the DMCC Rules for RBD-GPM shall not relieve any Accredited Members and Non-Accredited Members from any obligation to comply with the Resolution and/or Law No. 4 of 2002 and/or any obligations arising under any other legislative or regulatory framework which may be applicable to them; and
- (b) where the DMCC Rules for RBD-GPM and this Schedule make any reference to the UAE's legislative and regulatory framework (including the Resolution and Law No. 4 of 2002) underpinning the development of the DMCC Rules for RBD-GPM, or any other legislation relating to AML/CFT, the DMCC does not accept any responsibility for such references and strongly advises and recommends all Accredited Members and Non-Accredited Members who are member companies of the DMCC (and for that matter, other OFCEIs) to sufficiently inform themselves of the scope and application of such legislative and regulatory framework (and any other legislative and regulatory framework relevant to the subject matter of the DMCC Rules for RBD-GPM

which may be applicable to them) and if required to seek independent legal and/or professional advice for such purposes.

Irrespective of the scope of application of the DMCC Rules for RBD-GPM, the DMCC encourage all Non-Accredited Members and participants across the supply chain of gold and/or precious metals to implement the DMCC Rules for RBD-GPM.

PART E - ANNEXES

ANNEX 1 – DMCC WHISTLEBLOWING POLICY

DMCC Whistleblowing Policy

“Whistleblowing”: Making a disclosure in the public interest and/or to uphold the integrity of the DMCC’s responsible sourcing initiatives and its Accredited Members and Reviewers.

1. Introduction

- 1.1 This policy (**DMCC Whistleblowing Policy**) is complementary to, and intended to be read in conjunction with the DMCC Rules for RBD-GPM for Risk Based Due Diligence in the Gold and Precious Metals Supply Chain (**DMCC Rules for RBD-GPM**).
- 1.2 Unless otherwise expressly stated, defined terms used in this DMCC Whistleblowing Policy shall have the meaning given to them in the DMCC Rules for RBD-GPM.
- 1.3 The DMCC is committed to the highest standards of openness, probity and accountability in the global industry for the trade of gold and/or precious metals. An important aspect of accountability and transparency is a mechanism for those members of the DMCC that are subject to the DMCC Rules for RBD-GPM, other market participants, Reviewers (as defined in the DMCC Rules for RBD-GPM) and other concerned parties to raise concerns about suspicious or illegal acts involving gold or precious metals trade in a responsible and effective manner.

2. DMCC Review Protocol

- 2.1 The DMCC Review Protocol was established in November 2012 to provide guidance to international audit firms and Reviewers conducting assessments on members accredited to DMCC’s responsible sourcing initiatives to ensure a level of conformity when implementing the DMCC Practical Guidance.
- 2.2 Pursuant to Article 1 of the DMCC Rules for RBD-GPM, the DMCC Practical Guidance has been replaced by the DMCC Rules for RBD-GPM. Pursuant to Article 6 of the DMCC Rules for RBD-GPM, the DMCC Review Protocol has been amended and restated in the form set out in Annex 3 of the DMCC Rules for RBD-GPM.

3. Scope of DMCC Whistleblowing Policy

- 3.1 The DMCC Whistleblowing Policy is designed to enable market participants, Accredited Members, Non-Accredited Members, Reviewers and prospective Reviewers and any other relevant market participants to raise concerns and disclose information about a suspicious wrongdoing and/or an illegal act, with the aim of protecting public interest and/or upholding the integrity of the DMCC’s responsible sourcing initiatives and its Accredited Members.
- 3.2 These concerns may include, but are not limited to, the following:

- (a) financial malpractice or impropriety or fraud;
- (b) failure to comply with a legal obligation or applicable laws;
- (c) Human Rights abuses (including dangers to health and safety and child labour);
- (d) severe damage to the environment;
- (e) criminal activity;
- (f) improper conduct or unethical behaviour;
- (g) attempts to conceal any violations of the DMCC Rules for RBD-GPM or the DMCC AML/CFT Policy;
- (h) falsification of documents or fraudulent suppliers;
- (i) direct or indirect link to conflict gold financing; and
- (j) direct or indirect violations of the DMCC AML/CFT Policy or the DMCC Rules for RBD-GPM.

4. **Responsible Sourcing and Whistleblowing**

- 4.1 Upon the discovery of any information which could give rise to a reasonable suspicion of serious malpractice or wrongdoing within the terms of the DMCC Rules for RBD-GPM, any Reviewer or member of the DMCC's responsible sourcing initiatives should promptly disclose such information to the DMCC, stating in such disclosure an explanation of the associated grounds for suspicion.
- 4.2 Accredited Members or Non-Accredited Members (as defined in the DMCC Rules for RBD-GPM) and other market participants are encouraged to report any suspicious activities taking place in the global gold and/or precious metals market.

5. **Zero Tolerance Breach Reporting**

- 5.1 Any Reviewer who identifies a zero-tolerance breach (as defined in Section 21 of the DMCC Review Protocol) should promptly report such breach to the DMCC.

6. **Procedures for reporting to the DMCC**

- 6.1 Any person wishing to invoke this policy may send an email (accompanied by supporting evidence, if possible) to members.whistleblowing@dmcc.ae or in hardcopy via courier or hand delivery to:

Director of Compliance
DMCC
P.O Box 48800, Dubai
UAE

6.2 The relevant department within the DMCC will determine if it is necessary to report the case on a confidential basis to the relevant local and federal government authorities.

6.3 The DMCC will review and determine the validity of the reported case and appropriate actions.

7. **Confidentiality**

7.1 The DMCC will treat any disclosures made pursuant to the DMCC Whistleblowing Policy (and the identity of the discloser) in a confidential and sensitive manner. Disclosure may only be made to the extent required or permitted by law or a legal authority. Any investigation process arising from events, however, may reveal the source of the information. The individual making the disclosure may need to provide a statement as part of the evidence required.

8. **Safeguards**

8.1 **Protection:** the DMCC Whistleblowing Policy is designed to offer protection to those individuals who disclose concerns pursuant to this policy provided the disclosure is made:

- (a) in good faith; and
- (b) in the reasonable belief of the occurrence of serious malpractice or wrongdoing.

8.2 The DMCC Whistleblowing Policy will not, however, protect those who raise malicious or knowingly unsubstantiated claims of misconduct or wrongdoing.

8.3 **Anonymous disclosures:** the DMCC Whistleblowing Policy encourages individuals to put their name to any disclosures they make to protect the integrity of the policy.

8.4 Anonymous disclosures may be considered at the discretion of the DMCC. In exercising this discretion, the factors to be taken into account will include:

- (a) the seriousness of the issues raised;
- (b) the credibility of the concern; and
- (c) the likelihood of confirming the allegation from attributable sources.

9. **Timescales for Investigations**

9.1 Due to the varied nature of circumstances, which may involve internal investigators and/or applicable authorities, the DMCC cannot prescribe precise timescales for such investigations. The DMCC will ensure that investigations are undertaken efficiently and effectively without any compromise to the integrity or credibility of the process.

ANNEX 2 – DMCC APPROVED REVIEWER APPLICATION FORM

Dubai Multi Commodities Centre (DMCC)

DMCC Approved Reviewer Application Form

This application form is to be completed and submitted to the DMCC with relevant supporting documentation by auditing entities that wish to become a DMCC approved Reviewer in accordance with the DMCC Review Protocol (Section 3 – Minimum Criteria for Selection of Reviewers). This application form may be updated from time to time and published on the DMCC website.

Please note that a separate and independent application form is required to be completed for each branch and/or subsidiary of the same auditing entity.

Section 1 – Applicant Information

Applicant's Full Name¹				
Applicant's Registered Address				
Applicant's Physical Office Address²				
Short description of Applicant's organisation				
Is the Applicant an approved and/or regulated auditing entity?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
If Yes, please provide details of approving authority and/or regulator				
Is the Applicant a member of any initiative(s) similar to the DMCC Rules for RBD-GPM?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
If Yes, please provide details				
Please tick which of the following types of standards, the Applicants reviews are based upon³	ISAE 3000		<input type="checkbox"/>	
	ISO 19011:2011		<input type="checkbox"/>	

Details of Applicant's regulatory and/or licensing body(ies)⁴					
Does the Applicant have capacity and expertise in gold and/or precious metals audits?		Yes		No	
If Yes, please provide details / examples of such experience					
Does the Applicant have capacity and expertise in due diligence and KYC?		Yes		No	
If Yes, please provide details / examples of such experience					

¹ As stated in the Applicant's licence to operate / company registration / certificate of incorporation.

² If different from the Applicant's Registered Address.

³ Auditing entities that perform reviews based on other standards will not be eligible for application.

⁴ Please include the category of regulatory body (e.g. government, global standard setting entity, trade association, etc.) and its website address

Section 2 – Application Contact Information

Address for delivery of notices		
Contact Person	Title	
	First Name	
	Last Name	
	Position	
	Telephone	
	Email	

Section 3 – Supporting Documentation

Please ensure that this application is accompanied by the following information/documents and indicate such compliance by ticking the following boxes as appropriate:

Copy of Applicant's licence to operate / company registration / certificate of incorporation	
Full details of the Applicant's ownership structure	

Organisation chart of the Applicant's full ownership structure¹	
Sample ISAE 3000 reasonable assurance and/or ISO 19011:2011 reports including supporting document(s) of collation and review of objective evidence that formed the basis for the issuance of the final reports	
CV(s) of the persons conducting audits²	
CV and details of the Applicant's nominated lead auditor	
Copy of the Applicant's authorised signatory list	
Passport copy for each person on the Applicant's authorised signatory list	
Statement of Integrity³	
Statement of Competency⁴	

¹ Please ensure that full details are provided for each ultimate beneficial owner (in the meaning set out in the DMCC Rules for RBD-GPM).

² The CV(s) must demonstrate subject matter expertise as detailed in the DMCC Review Protocol (including such persons' qualification level and designation). It is responsibility of the approved Reviewer to proactively provide to the DMCC CV(s) of new employees who are going to work on a Review for DMCC's approval.

³ The Statement of Integrity must demonstrate the Applicant's independence with regard to any parties audited by it.

⁴ The Statement of Competency must set out details of the Applicant's: (a) quality control procedures (including appropriate follow-up systems, internal audit and management reviews; (b) relevant experience in performing supply chain due diligence; and (c) the necessary resources to perform reviews in accordance with the DMCC Review Protocol.

Section 4 - Terms and Conditions

Upon being granted the status of an auditor approved by the DMCC (**Reviewer**), the Applicant (as identified in Section 1 of the DMCC Approved Reviewer Application Form) unconditionally agrees to the following terms and conditions:

1. The DMCC shall keep pre-approval application information confidential, provided however, that the DMCC may at its sole discretion disclose relevant reports submitted pursuant to the DMCC Review Protocol and/or information received from any DMCC approved Reviewer or Applicant to the IGC for any of the following reasons:
 - (a) to advise on the integrity of any review conducted for an Accredited Member (as defined in the DMCC Rules for RBD-GPM);
 - (b) to review the accuracy and completeness of the content of any Review (as defined in the DMCC Rules for RBD-GPM);
 - (c) in accordance with Section 21 of the DMCC Review Protocol;
 - (d) to provide clarification to the Reviewer on the interpretation of the DMCC Rules for RBD-GPM, these terms & conditions or any other related document with regard to specific findings during any Review process;
 - (e) the DMCC being informed of any disagreement between the Reviewer and an Accredited Member (or any other member of the DMCC);

- (f) to ensure the integrity of the DMCC Rules for RBD-GPM or any document or process relating to the DMCC's responsible sourcing initiatives; or
 - (g) to ensure that reviews conducted by Reviewers are consistent irrespective of the location of any applicable Reviewer.
2. The DMCC will uphold any decisions and/or actions as advised to the DMCC by the IGC including without limitation:
- (a) an appointment by the DMCC of a Reviewer to review another Reviewer's work products or processes, upon which the Reviewer under review shall fully cooperate (including full access to all relevant information) with the DMCC appointed Reviewer, failing which the DMCC shall be entitled at its sole discretion to revoke the status of the Reviewer under review as a DMCC approved Reviewer;
 - (b) providing any written statement to any concerned person that the integrity, confidentiality and/or independence of the Reviewer and related review process has been compromised; and
 - (c) temporarily suspending and/or fully revoking the DMCC approval status of a Reviewer.
3. The Reviewer will have approved status for 3 years. Reviewers may re-apply for a new accreditation after this period. Re-applications should be submitted within the 6 month period prior to the expiry of the 3 year approved status period.
4. Upon any the suspension or revocation of the DMCC approval status of a Reviewer, such Reviewer shall be entitled to appeal in writing directly to the IGC. The IGC may invite such Reviewer to present and/or provide clarification in respect of the subject of appeal. The decision of the IGC will be final and binding on the DMCC and the Reviewer. The DMCC may consider a further application by the Reviewer if DMCC is satisfied that the Reviewer has addressed the issues which gave rise to suspension or revocation.
5. A Reviewer may request an opinion or clarification from the DMCC either during the course of a Review or following the issuance of any information or report (in partial, full or abridged, draft or final form). Following any opinion or clarification provided by the DMCC, any subsequent amendments by the Reviewer to the information or report previously issued by the Reviewer that the Reviewer elects to make shall be deemed to be at the Reviewer's sole discretion and made independently by the Reviewer and without any influence from the DMCC.
6. Any opinion, clarification or comment or absence of such from the DMCC shall not relieve a Reviewer of its warranties, obligations or liabilities pursuant to the DMCC Rules for RBD-GPM or any part of the DMCC's responsible sourcing initiatives.
7. The DMCC Reviewer Application Form and related documentation requirements shall be submitted to the DMCC at the following addresses:

By email: **responsiblesupplychain@dmcc.ae**

By hard copy to: Director of Compliance
DMCC
PO Box 48800, Dubai, UAE

8. The DMCC reserves the right to approve or reject at its sole discretion any application by an applicant (including the right to approve or reject individual auditors) to become a Reviewer. The decision of the DMCC shall be communicated in writing to the applicant. In case of rejection to become a Reviewer, the DMCC is not obliged to provide any reason for the rejection. DMCC's decision in relation to any application(s) for Reviewer status is final and not subject to appeal.
9. The DMCC may at any time determine and inform a Reviewer of the categories of DMCC responsible sourcing initiatives for which the Reviewer may conduct reviews.
10. Prior to providing any approval and listing the applicant as a Reviewer on the DMCC corporate website, the Applicant and all individual auditors employed by the Applicant, must complete (which obligation may be waived by the DMCC at its sole discretion) an induction programme (**Induction Programme**) administered by the DMCC to ensure that the Applicant has fully understood all aspects of the DMCC Rules for RBD-GPM and the DMCC's requirements for responsible sourcing initiatives. The Induction Programme may take the form of one or more workshops or seminars with the relevant persons at the DMCC. If an Applicant or Reviewer has not completed an Induction Programme, the Reviewer may not (without the prior written consent of the DMCC in each instance) enter into any engagement with an Accredited Member for the purposes of carrying out a Review (or otherwise related to any of the DMCC's responsible sourcing initiatives).

Section 5 - Statement of Applicant

We hereby confirm our application to be appointed as a DMCC approved Reviewer for the DMCC's responsible sourcing initiatives. We have reviewed, and agree to be bound by, the DMCC Review Protocol (including the OECD Guidance, as defined in the Schedule to the DMCC Rules for RBD-GPM) and to the DMCC Approved Reviewer Application Form terms and conditions.

We agree to submit on an annual basis relevant documentation, as stipulated from time to time by the DMCC, in order to maintain our status of a DMCC approved Reviewer.

Other than in respect to any disclosures required by any applicable law or in accordance with the DMCC Whistleblowing Policy, we agree to keep confidential all information relating to this application process and all subsequent audits and reviewed carried out by us.

If accepted on the DMCC Approved Reviewers list, we acknowledge the DMCC's right at its sole discretion, to make any changes to the DMCC Rules for RBD-GPM and the DMCC Review Protocol, and we agree to adhere to any such amendments.

We declare that we are not aware that we are subject to any formal independent third-party investigations as permitted by law in any jurisdiction as of the date of signing this application form.

For and on behalf of the Applicant identified in Section 1 of this application:

Name:

Title:

Date:

ANNEX 3 – DMCC REVIEW PROTOCOL

DMCC Review Protocol

on

Responsible Sourcing of Precious Metals

1. **Explanatory Information**

- 1.1 The Dubai Multi Commodities Centre (**DMCC**) is committed to ensuring responsible sourcing of gold and precious metals, in part achieved by assisting global market participants across the entire supply chain of gold and/or precious metals to conduct the necessary due diligence (using a risk based approach) for responsible sourcing of gold and/or precious metals.
- 1.2 As part of this commitment, the DMCC developed (in consultation with the Organisation for Economic Cooperation and Development (**OECD**), the DMCC's Dubai Gold Advisory Group (**DGAG**) and participants in the global markets for gold and precious metals), the *Practical Guidance for Market Participants in the Gold and Precious Metals Industry - Version 1 - April, 2012* (**DMCC Practical Guidance**).
- 1.3 As a further part of this commitment, the DMCC administers an accreditation programme for applicable members of the DMCC. Under this programme, qualifying members may be awarded any of the two following accreditation standards (**Accreditation Standards**):
- (a) the Dubai Good Delivery standards (**DGD**); and
 - (b) the Market Deliverable Brand standards (**MDB**).
- 1.4 An **Accredited Member** is any person or entity that is subject to any one or more of the Accreditation Standards.
- 1.5 In June 2012, the DMCC made it a mandatory requirement for all DGD Accredited Members to comply with and implement all of the provisions of the DMCC Practical Guidance.

Note 1 All interested parties are recommended to review the Schedule to the DMCC Rules for RBD-GPM.

2. **Definitions and Interpretation**

- 2.1 Unless otherwise expressly stated, defined terms used in the DMCC Review Protocol shall have the meaning given to them in the DMCC Rules for RBD-GPM.

3. **Entry into Force and Effect**

- 3.1 The DMCC Review Protocol shall come into full force and effect on the date of entry into force of the DMCC Rules for RBD-GPM in accordance with the Effective Date as defined in Article 1 of the DMCC Rules for RBD-GPM.
- 3.2 As of the Effective Date, this DMCC Review Protocol shall replace and supersede all previous issuances of the same by the DMCC.

4. **Scope of Application**

- 4.1 The DMCC shall publish a list of Reviewers (**Reviewer List**) on the DMCC website.
- 4.2 Any Review of an Accredited Member must be carried out by an approved Reviewer.
- 4.3 If the Reviewer List does not contain any Reviewer capable of covering a specific geographical region, an Accredited Member may apply to the DMCC for a discretionary waiver of the application of Section 4.2 above, which the DMCC may grant at its sole discretion, and in considering such waiver, the DMCC shall take into account the extent to which an alternative auditor meets the DMCC Minimum Criteria for Reviewers.

5. **DMCC Minimum Criteria for Reviewers**

- 5.1 Each Reviewer must at all times satisfy the DMCC Minimum Criteria for Reviewers.
- 5.2 The DMCC Minimum Criteria for Reviewers are as follows:
- (a) the Reviewer must have appropriate infrastructure and management systems that meet the requirements of ISAE 3000 or ISO 19011:2011 standards and be capable of assuring integrity, governance and confidentiality.
 - (b) the Reviewer must possess and be capable of demonstrating adequate subject matter knowledge of:
 - (i) the Accreditation Standards;
 - (ii) the DMCC Rules for RBD-GPM;
 - (iii) the DMCC Practical Guidance;
 - (iv) the OECD Guidance;
 - (v) the DMCC Review Protocol;
 - (vi) the DMCC's AML/CFT policy;
 - (vii) relevant local, regional and global regulatory frameworks;
 - (viii) the DMCC Guidance for DNFBPs; and
 - (ix) supply chain due diligence systems and procedures applicable to the gold and precious metals industries, including the review of functions such as transportation, transformation, chemical refining, inventory management, and trading;
 - (c) the Reviewer must possess and be capable of demonstrating capabilities, competencies and proficiencies in relation to the following:

- (i) independence from any parties it carries out an audit of;
- (ii) quality control procedures with appropriate follow-up systems;
- (iii) established functional systems of complaints handling and appeals;
- (iv) assurance of the integrity and confidentiality for the audits conducted;
- (v) assurance of the integrity and confidentiality of its employees, secondees, staff members, subcontractors, agents, assigns or any other person carrying out activities in relation to any audit; and
- (vi) the provision, storing and management of verifiable documentation, detailing the track record of the supply chain due diligence systems and procedures under review.

5.3 The DMCC may at any time provide guidance (in any format, unilaterally or bilaterally) to any Reviewer to ensure consistency in the Review process and compliance with the DMCC Minimum Criteria for Reviewers, and each recipient Reviewer shall ensure that it adheres to and implements any recommendations set out in such guidance.

6. **Review Plan**

6.1 At the outset of each Review, the Reviewer shall develop a detailed plan for the Review (**Review Plan**).

6.2 Each Review Plan shall clearly set out the scope, timing and costs of the Review as agreed between the applicable Reviewer and Accredited Member.

6.3 For each Review Plan, the Reviewer and Accredited Member shall ensure that the following objectives are included in the Review Plan:

- (a) assessment and conclusion by the Reviewer of the extent to which the Accredited Member has established robust responsible supply chain management systems in accordance with the DMCC Rules for RBD-GPM and to the OECD Guidance;
- (b) assessment and conclusion by the Reviewer of the extent to which the Accredited Member is able to identify and adequately assess risks in the supply chain in accordance with Rule 2 of the DMCC Rules for RBD-GPM and to the OECD Guidance; and
- (c) assessment and conclusion by the Reviewer of the extent to which the Accredited Member is reporting on its measures implemented for responsible supply chain due diligence in accordance with Rule 4 and Rule 5 of the DMCC Rules for RBD-GPM.

6.4 The Reviewer shall assess and include in its Review Report the extent to which the Accredited Member is compliant with the DMCC Rules for RBD-GPM, which shall include:

- (a) the implementation of a Policy in accordance with Rule 1 of the DMCC Rules for RBD-GPM;
- (b) responsibilities and escalation channels are clearly defined, established and implemented in accordance with the requirements of the DMCC Rules for RBD-GPM;
- (c) appropriate criteria for supply chain due diligence have been established and implemented by the Accredited Member, including systems and processes for identifying Red Flags in accordance with Rule 2 of the DMCC Rules for RBD-GPM;
- (d) the implementation and application of KYC processes in accordance with Rule 1 of the DMCC Rules for RBD-GPM, including:
 - (i) the identification of relevant parties and ultimate beneficial owners;
 - (ii) the verification and validation of relevant information and/or documentation;
 - (iii) conducting background checks and screening using relevant international sanctions programmes and databases;
 - (iv) conducting enhanced due diligence in accordance with Rule 1 of the DMCC Rules for RBD-GPM;
 - (v) on-going monitoring and surveillance to ensure consistent implementation of the Accredited Member's Policy and procedures and the centralisation of information obtained; and
 - (vi) training relevant staff members within the organisation;
- (e) the existence of a suitably qualified and competent compliance function in accordance with the DMCC Rules for RBD-GPM;
- (f) the existence and adequacy of internal documentation and records of supply chain due diligence covering inventory and transactions;
- (g) tracking and tracing for all inventory and transactions in accordance with Rule 3 of the DMCC Rules for RBD-GPM;
- (h) addressing relationships with suppliers in accordance with Rule 3 of the DMCC Rules for RBD-GPM, and including:
 - (i) the adequacy and consistent application of related policies, procedures and controls;
 - (ii) enhancing relationships with each supplier (in particular with long term suppliers) based on each supplier's risk classification for capacity building of suppliers;
 - (iii) disengaging with all high risk suppliers across all relevant business units/divisions; and

- (iv) whistleblowing and reporting suspicious activities in relation to high risk suppliers to the appropriate authorities in accordance with Annex 1 – DMCC Whistleblowing Policy;
 - (i) maintaining appropriate confidentiality relating to whistleblowing and the reporting of suspicious activities and acting in a sufficient manner to avoid compromising any related investigations;
 - (j) the adequacy and consistent application of security requirements in accordance with Rule 1 of the DMCC Rules for RBD-GPM;
 - (k) the training of relevant staff of the Accredited Member in accordance with the Accredited Member’s supply chain policies and procedures, including:
 - (i) providing different training programmes in accordance with the levels of risk related to different suppliers or staff functions;
 - (ii) receiving and addressing feedback from attendees; and
 - (iii) assessing the effectiveness and adequacy of contents of training programmes.
- 6.5 The Reviewer shall assess and include in its Review Report the extent to which the Accredited Member is able to identify and adequately assess risks in the supply chain in accordance with Rule 2 of the DMCC Rules for RBD-GPM, including assessment of:
 - (a) the consistent application of the Policy developed pursuant to Rule 1 of the DMCC Rules for RBD-GPM;
 - (b) the Accredited Member’s assessment of the risks associated with the supply chain (including processing, distribution, transportation and cross border trading); and
 - (c) the Accredited Member’s assessment of every actor in the supply chain.
- 6.6 The Reviewer shall assess and include in its Review Report the extent to which the Accredited Member has established and is applying adequate risk assessment tools and methodologies (e.g. screening systems for international sanctions lists) across its business divisions, including:
 - (a) evidence that all factors (including geographical, counterparty and transactional factors) are taken into consideration for risk assessments and the adequacy of the risk assessment findings (for example ability to detect falsification of evidence or adequate implementation of track and trace principles to link records for transactions, transportation and transformation of gold);
 - (b) evidence that the risk assessment findings enable the Accredited Member to detect, evaluate and address Red Flags in accordance with Rule 2 of the DMCC Rules for RBD-GPM;

- (c) evidence of enhanced due diligence where Red Flags or potential Red Flags are detected, including the use of the methods set out in Rule 2.8 of the DMCC Rules for RBD-GPM; and
 - (d) evidence that all findings are being accurately documented and reported in a timely manner to all relevant persons.
- 6.7 The Reviewer shall assess and include in its Review Report the extent to which the Accredited Member has developed and implemented a Risk Control Plan in accordance with Rule 3 of the DMCC Rules for RBD-GPM, including:
- (a) evidence of the implementation of the Minimum Content Requirements set out in Rule 3.3 of the DMCC Rules for RBD-GPM in the Risk Control Plan; and
 - (b) evidence of the adequacy and effectiveness of risk level classification and related control mechanisms for each level of low, medium and high-risk classifications (or any other relevant risk classification adopted by the Accredited Member).
- 6.8 The Reviewer shall assess and include in its Review Report the extent to which the Accredited Member has implemented adequate measurable steps, monitoring and review performance, and reporting to senior management as part of the Member's Risk Control Plan.
- 6.9 The Reviewer shall assess and include in its Review Report the extent to which the Accredited Member is reporting annually on its measures implemented for responsible supply chain due diligence (including the methodology and results of any risk assessment and the steps taken to manage risks) in accordance to Rule 4 and Rule 5 of the DMCC Rules for RBD-GPM, including:
- (a) assessment of the completeness, adequacy and accuracy of the content of such reporting; and
 - (b) assessment and evidence of the level of accessibility for the Accredited Member's regulators, and existing and potential counterparties to such reporting.
- 6.10 The Reviewer shall apply materiality in the development and execution of the Review Plan, taking into consideration the nature, scale and impact of the Accredited Member's business.
- 6.11 The Reviewer shall, when warranted by the circumstances, carry out sampling of sources of information by selecting a sampling method, determining an appropriate sample size, conducting the sampling, documenting the results.
- 7. Reviewer's Responsibilities, Resources and Procedures**
- 7.1 A Reviewer's responsibilities in relation to each Review shall include:
- (a) ensuring that the Review Plan is clearly established and is based on the objectives set out in Section 6 above;

- (b) applying materiality in the development and execution of the Review Plan, taking into consideration the nature, scale and impact of the Accredited Member's business;
- (c) ensuring that the Reviewer and individual auditors gain a good understanding of the Accredited Member's business, organisation, structure and supply chain;
- (d) ensuring the responsibilities and procedures of the Reviewer's assessment team and interactions with the applicable Accredited Member throughout the course of a Review is clearly defined;
- (e) ensuring that sufficient resources are provided by the applicable Accredited Member to enable the Reviewer to conduct a comprehensive Review;
- (f) ensuring that the Review is conducted in accordance with the DMCC Review Protocol and records are maintained;
- (g) where applicable, applying an adequate level of sampling of the sources of information;
- (h) ensuring that reports provided on the Review enable the monitoring, reviewing and implementation of a corrective action plan by the Accredited Member; and
- (i) ensuring that DMCC is informed of every circumstance of any breach of, or non-compliance with, the DMCC Review Protocol.

7.2 A Reviewer's resources for each Review shall include:

- (a) sufficient financial resources to develop, implement, manage and improve the content of the Review Plan;
- (b) sufficient operational resources to conduct a comprehensive Review;
- (c) sufficient knowledge and competency of the Reviewer's assessment team to perform a comprehensive Review in accordance with the DMCC Review Protocol; and
- (d) appropriate review techniques, methodologies, frameworks and related systems to be used by the Reviewer's assessment team in preparing and implementing the content of the Review Plan.

7.3 A Reviewer's procedures for each Review shall include:

- (a) planning and scheduling the Review Plan;
- (b) assuring the competence of the Reviewer's assessment team;
- (c) assigning appropriate roles and responsibilities to the Reviewer's assessment team members;

- (d) monitoring the performance and effectiveness of the Review Plan and its implementation, to ensure meeting the review objectives;
- (e) conducting any required follow-up actions;
- (f) recording the findings of the Review and carrying out any required cross-validation of the evidence; and
- (g) reporting the findings of the Review to the applicable Accredited Member in a clear and comprehensible manner.

8. **Implementation of the Review Plan**

8.1 In carrying out each Review Plan, the Reviewer shall:

- (a) ensure that the Review has been conducted in accordance with the Review Plan and its objectives;
- (b) communicate and circulate the initial findings of the Review to all relevant persons for their comments to be incorporated (if required) in the Final Review Report;
- (c) coordinate the Review with all relevant persons and related activities;
- (d) continuously evaluate the adequacy of the Review Plan and the Reviewer's assessment team; and
- (e) follow-up with the relevant persons on all outstanding matters or further actions required.

9. **Recording the Review Plan Findings**

9.1 The Reviewer's records of each Review shall include the following:

- (a) records of all documents relating to the engagement of the Reviewer by the Accredited Member;
- (b) interim and final versions of the Review Plan;
- (c) documents and correspondence to any findings of non-compliance with the DMCC Rules for RBD-GPM;
- (d) documents and correspondence relating to all corrective actions;
- (e) documents and correspondence relating to all follow-up actions; and
- (f) interim and final versions of the Review Report.

9.2 The Reviewer shall maintain all records of each Review for a minimum period of five years from the date of conclusion of each the applicable Review.

10. On-going Monitoring and Assessment of the Review Plan

10.1 The Reviewer shall continuously monitor the implementation of the Review Plan for each Review to confirm that:

- (a) to confirm that all objectives of the Review are met; and
- (b) any required modifications to the Review Plan can be identified and implementing in a timely manner for the Review to be compliant with the DMCC Review Protocol.

11. Review Activities

11.1 The Reviewer shall ensure that the following activities are (at minimum) carried out in each Review:

- (a) the Pre-Review Activities set out in Section 12;
- (b) the On-site Review Activities set out in Section 13;
- (c) the Assessment of Compliance set out in Section 14; and
- (d) the Closing Meeting set out in Section 15.

12. Pre-Review Activities

12.1 The Reviewer shall engage with the Accredited Member for preparation and planning prior to the commencement of the On-site Review Activities, including the following:

- (a) agreement on all costs including standard disbursements (such as travel expenses, hotels and meals) for each location where any part of the Review shall be carried out;
- (b) determining all locations including offsite premises (and related contact information) for all business operations that relate to the supply chain (including transportation, transformation, chemical refining, trading) and/or all locations that have a direct or indirect impact on comprehensive due diligence of the supply chain (including ensuring track and trace activities are carried out with regard to the handling, processing and/or transportation of the gold and/or precious metals);
- (c) establishing a preliminary timeline for the Review, including a breakdown for each location;
- (d) establishing an accurate assessment of all relevant documentation that may be subject to the Review (which for each relevant business operation should include a complete list of transactions and related 'track and trace' information of the relevant supplier);
- (e) establishing an accurate assessment of all relevant counterparties of the Accredited Member (including the country of residence and risk classification) and related due diligence requirements; and

- (f) establishing an accurate assessment of all parts of the organisational structure of the Accredited Member, including a detailed view of all business operations and nominated decision-making staff members of the Accredited Member that are responsible for the implementation of and compliance with the DMCC Rules for RBD-GPM.

12.2 It shall be the responsibility of the Accredited Member to provide the Reviewer with accurate and complete information.

12.3 The Reviewer shall provide a copy of the Review Plan to the Accredited Member in advance of commencing any of the On-site Review Activities set out in Section 13, and shall ensure that the Review Plan clearly sets out:

- (a) all types of documentation for relevant activities across relevant departments that are to be reviewed;
- (b) all individuals (which may be identified by role description alone) from relevant business departments or operations to be interviewed; and
- (c) a schedule for physical walkthrough and inspection of relevant business departments or operations.

13. On-site Review Activities

13.1 The Reviewer shall conduct an opening meeting with the Accredited Member. The objective of the opening meeting shall be for the Reviewer to present the Review Plan to the Accredited Member's relevant business departments or operations and their respective staff members who will be contributing to the Review process to reconfirm the following:

- (a) various business departments or operations and the roles of relevant staff members for implementing the DMCC Rules for RBD-GPM;
- (b) the objectives, scope, timeline and procedures of the Review Plan;
- (c) any locations that need to be reviewed and the availability of appropriate resources for conducting the Review;
- (d) the confidentiality of the entire review process, including anticipated communication methods (such as meeting minutes, reports, interviews), information handling and the classification of risk for any non-compliance with the DMCC Rules for RBD-GPM;
- (e) the conditions for any early termination of the Review process; and
- (f) the Reviewer's complaints handling and appeals processes system in relation to any aspect of the Review process, both during the Review and upon completion of the Review.

13.2 During the progress of the Review, all evidence obtained by the Reviewer should be objective, relevant and conclusive to validate and verify the objectives of the Review.

- 13.3 Sources of information for obtaining objective, relevant and conclusive evidence may include:
- (a) interviews with management, employees and other persons related to the subject matter of the Review;
 - (b) visual observations of activities surrounding relevant working environments and conditions;
 - (c) documents and/or documentary evidence relating to policies, objectives, plans, procedures, standards, instructions, licences and permits, specifications, drawings, contracts, transactions or orders;
 - (d) documents and/or documentary evidence relating to inventory controls, inspections of records, minutes of meetings, audit reports, records of monitoring programmes and results of measurements;
 - (e) data summaries, analyses and performance indicators;
 - (f) information on sampling programmes and procedures to control related sampling and measurement processes;
 - (g) external sources reports or due diligence including customer feedback, relevant third party's or supplier's ratings and websites and primary and secondary research to enhance the due diligence methods; and
 - (h) related company databases (electronic or hardcopy).
- 13.4 The Reviewer's should utilise the following methods in the collection of information and evidence required for the Review:
- (a) conducting interviews with statistically acceptable sample sizes of management and employees, across all relevant business operations, directly or indirectly responsible, for ensuring the implementation of, and compliance with, the DMCC Rules for RBD-GPM;
 - (b) making visual observations from carrying out physical walkthrough of all relevant business operations for each relevant location required for confirming the implementation of, and compliance with, the DMCC Rules for RBD-GPM; and
 - (c) conducting detailed documentation reviews to confirm the implementation of, and compliance with, the DMCC Rules for RBD-GPM, including reviews of:
 - (i) the Accredited Member's supply chain management systems (with emphasis on compliance and risk management structures, related operating policies and procedures, reporting mechanisms, and training and development programmes);
 - (ii) the Accredited Member's due diligence measures (including KYC procedures, process and implementation and post-account opening and pre-transaction risk assessments including Red Flag assessment); and

- (iii) Minimum information recording to ensure track and trace i.e. date of gold receipt, physical form and weight of gold, source of origin, point of origin in transportation and/or customs documents (recording of seal numbers and/or packaging list).

14. **Assessment of Compliance with the DMCC Rules for RBD-GPM**

14.1 Following the conclusion of the On-Site Review Activities set out in Section 13 and the evaluation of the results of such activities, the Reviewer shall conclude which **one** of the following ratings applies to the Accredited Member:

- (a) Fully Compliant with the DMCC Rules for RBD-GPM;
- (b) Compliant with the DMCC Rules for RBD-GPM - Low Risk Deviations;
- (c) Not compliant with the DMCC Rules for RBD-GPM - Medium Risk Deviations; or
- (d) Not compliant with the DMCC Rules for RBD-GPM - High Risk Deviations.

14.2 A Reviewer may provide the rating '**Fully Compliant with the DMCC Rules for RBD-GPM**', provided **all** of the following criteria apply:

- (a) the Accredited Member fully participates in the Review process and provides full co-operation to the Reviewer's assessment team as and when required to enable the Reviewer to carry out a comprehensive Review; and
- (b) the Accredited Member has objectively demonstrated its satisfaction of all of the Review objectives as set out in Section 5 are fully met based on evaluation of the findings of the Review.

14.3 A Reviewer may provide the rating '**Compliant with the DMCC Rules for RBD-GPM - Low Risk Deviations**', if **any one or more** of the following criteria apply:

- (a) the Accredited Member has objectively demonstrated minor inadequacies or isolated issues with regards to its compliance with Rule 1 of the DMCC Rules for RBD-GPM and such minor inadequacies or isolated issues demonstrate no material impact on the overall objective of the DMCC Rules for RBD-GPM;
- (b) the Accredited Member has objectively demonstrated the existence and implementation of policies and procedures required under Rule 1, Rule 2 and Rule 3 of the DMCC Rules for RBD-GPM, but has also objectively demonstrated a minor lack of formalisation of such policies and procedures;
- (c) the Accredited Member has objectively demonstrated minor inadequacies of its collection of adequate supplier due diligence documentation and/or transactional records, but remains able to detect and take appropriate action on Red Flags in accordance with the DMCC Rules for RBD-GPM; or

- (d) the Accredited Member has objectively demonstrated minor inadequacies in relation to its use of appropriate internal controls mechanism to track and trace inventory movements.

14.4 A Reviewer may provide the rating '**Not compliant with the DMCC Rules for RBD-GPM - Medium Risk Deviations**', if **any one or more** of the following criteria apply:

- (a) the Accredited Member has objectively demonstrated multiple inadequacies with regards to its compliance with Rule 1 of the DMCC Rules for RBD-GPM;
- (b) the Accredited Member has objectively demonstrated multiple inadequacies with respect to its development and implementation of policies and procedures required under Rule 1, Rule 2 and Rule 3 of the DMCC Rules for RBD-GPM;
- (c) the Accredited Member has objectively demonstrated multiple inadequacies with respect to its collection of adequate supplier due diligence documentation and/or transactional records;
- (d) the Accredited Member has objectively demonstrated multiple inadequacies with respect to its ability to detect and take appropriate action on Red Flags in accordance with the DMCC Rules for RBD-GPM;
or
- (e) the Accredited Member has objectively demonstrated multiple inadequacies with respect to its use of appropriate internal controls mechanism to track and trace inventory movements.

14.5 A Reviewer may provide the rating '**Not compliant with the DMCC Rules for RBD-GPM - High Risk Deviations**', if **any one or more** of the following criteria apply:

- (a) the Accredited Member has objectively demonstrated major inadequacies with regards to its compliance with Rule 1 of the DMCC Rules for RBD-GPM;
- (b) the Accredited Member has objectively demonstrated major inadequacies with respect to its development and implementation of policies and procedures required under Rule 1, Rule 2 and Rule 3 of the DMCC Rules for RBD-GPM;
- (c) the Accredited Member has objectively demonstrated major inadequacies with respect to its collection of adequate supplier due diligence documentation and/or transactional records;
- (d) the Accredited Member has objectively demonstrated major inadequacies with respect to its ability to detect and take appropriate action on Red Flags in accordance with the DMCC Rules for RBD-GPM;
- (e) the Accredited Member has objectively demonstrated major inadequacies with respect to its use of appropriate internal controls mechanism to track and trace inventory movements; or
- (f) the Reviewer is required to make a report to the DMCC in accordance with Section 21.

- 14.6 No other conclusions or variations of the assessment of compliance other than those described in this Section 14 are permitted.
15. **Closing Meeting**
- 15.1 Upon establishing an assessment of compliance in accordance with Section 14, the Reviewer shall conduct a meeting with the Accredited Member to present its conclusions of the Review.
- 15.2 The Review shall provide its conclusions in a manner that capable of being clearly understood and acknowledged by the Accredited Member, and shall set out in detail its recommendations for improvement, if required, based on the Accredited Member's level of conformity with the DMCC Rules for RBD-GPM.
16. **Reporting of Review Plan Findings**
- 16.1 Within 90 calendar days from the end of the review period, the Reviewer is expected to conclude the on-site review activities set out in Section 13 and provide copies of the review reports (**Review Reports**) to both the DMCC and the Accredited Member.
- 16.2 For reviews conducted by a Reviewer based on the ISAE 3000 standard, Review Reports shall mean:
- (a) the Comprehensive Management Report, in accordance with Section 17;
 - (b) the Accredited Member's Compliance Report, in accordance with Section 18; and
 - (c) the Reviewer's Assurance Report, in accordance with Section 19.
- 16.3 For reviews conducted by a Reviewer based on the ISO 19011:2011 standard, Review Reports shall mean:
- (a) a detailed report, which must include the minimum reporting information as described in Annex 5 – Minimum Reporting Requirements; and
 - (b) an additional summary report, which shall be published by the Accredited Member on its website and in accordance with Rule 5 of the DMCC Rules for RBD-GPM.
- 16.4 The Accredited Member's Reviewer is required to submit annually the Review Reports to both the Accredited Member and the DMCC.
- 16.5 It shall be the responsibility of the Accredited Member to ensure that the terms and conditions of the Reviewer's engagement permit the Reviewer to directly send copies of the Review Reports to the DMCC.
17. **Comprehensive Management Report**
- 17.1 The **Comprehensive Management Report** shall set out in detail the conclusions of the Review Process in respect of the Accredited Member's compliance with the DMCC Rules for RBD-GPM in accordance with Annex 5 – Minimum Reporting Requirements, including:

- (a) the Accredited Member's final overall rating on its level of compliance;
- (b) a summary of the individual ratings of the Accredited Member in respect of each of Rules 1 to 5 of the DMCC Rules for RBD-GPM;
- (c) details of relevant findings of the Review, including substantiations of any ratings;
- (d) confirmation of any areas excluded from scope of the Review;
- (e) an assessment of the Accredited Member's supply chain due diligence methods, processes and controls as measured against the OECD Guidance; and
- (f) a corrective action plan, if required.

17.2 If a corrective action plan is set out in the Comprehensive Management Report, the Accredited Member will use its reasonable endeavours (by applying specific, measurable, achievable, relevant and timely methods) to adhere to the recommendations set out in the corrective action plan.

18. **Accredited Member's Compliance Report**

18.1 The **Accredited Member's Compliance Report** shall be set out in a format selected by the Reviewer to be consistent with the Comprehensive Management Report to provide an overview of the detailed findings of the **Comprehensive Management Report**.

18.2 The Accredited Member's Compliance Report shall include the Accredited Member's disclosure of ratings for each Rule 1 to 5, comments and demonstration of compliance for each rating in respect of Rules 1 to 5 of the DMCC Rules for RBD-GPM. If the Accredited Member has been awarded a rating of Compliant with the DMCC Rules for RBD-GPM – Low Risk Deviations in respect of any of Rules 1 to 5 of the DMCC Rules for RBD-GPM, such rating shall not be publicly disclosed in the Accredited Member's Compliance Report and will be reported as fully compliant.

19. **Reviewer's Assurance Report**

19.1 The **Reviewer's Assurance Report** is to be prepared by the Reviewer on the basis of the Accredited Member's Compliance Report and serves as an assurance of the findings included in the Accredited Member's Compliance Report

19.2 The DMCC shall use the Reviewer's final overall rating as set out in the Comprehensive Management Report as a basis for making a determination on the types of annual review set out in Section 19.3.

19.3 A Reviewer may make a Reviewer's Assurance Report on either a '*Reasonable Assurance*' or '*Limited Assurance*' standard in accordance with the ISAE 3000 standard.

- 19.4 The first Review of any Accredited Member must be done in accordance with the ISAE 3000 standard on a Reasonable Assurance basis for the time period of the 12 months preceding the date of engagement of the Reviewer.
- 19.5 Following a first Review of an Accredited Member based on the 'Reasonable Assurance' standard in accordance with the ISAE 3000 standard, a subsequent Review carried out in accordance with ISAE 3000 standard must be conducted no less than three years from the date of the previous Review of the same standard. For the intervening two-year period, a Reviewer may carry out a Review based on the 'Limited Assurance' standard in accordance with the ISAE 3000 standard.
- 19.6 Notwithstanding Section 19.5, at any time and at its sole discretion, the DMCC may instruct the Accredited Member to inform a Reviewer to carry out any Review based on the 'Reasonable Assurance' basis in accordance with the ISAE 3000 standard and the Reviewer and Accredited Member shall amend the terms and conditions of the Reviewer's engagement accordingly.
- 19.7 The Reviewer's Assurance Report and Accredited Member's Compliance Report shall be published by the Accredited Member on its website and in accordance with Rule 5 of the DMCC Rules for RBD-GPM.
20. **Mandatory Follow-Up Review**
- 20.1 If any Review has resulted in the rating of 'Not compliant with the DMCC Rules for RBD-GPM - High Risk Deviations', the Reviewer must conduct a follow up Review (**Follow-up Review**) based on the 'Reasonable Assurance' standard in accordance with the ISAE 3000 within 90 days after the issuance of the applicable Accredited Member's Review Reports.
- 20.2 If a Follow-up Review is required in accordance with Section 20.1, the Accredited Member must confirm with the DMCC that it has concluded an engagement with a Reviewer and the Reviewer has commenced the Follow-up Review within the applicable 90 day period.
- 20.3 The scope of any Follow-up Review shall be the Accredited Member's corrective action plan as provided by the Reviewer who conducted the preceding Review, and shall include details of the implementation of the Accredited Member's corrective actions to address the rating described in Section 20.1.
- 20.4 Upon completion of a Follow-up Review, the Accredited Member shall issue a consolidated compliance report incorporating the corrective actions undertaken on areas of high or medium risk deviation from the DMCC Rules for RBD-GPM and a disclosure of the individual rating of its level of compliance with each of Rules 1 to 5 of the DMCC Rules for RBD-GPM following the implementation of the corrective action plan.
- 20.5 Upon completion of a Follow-up Review, the Reviewer shall issue an independent Reviewer's Assurance Report on the Accredited Member's consolidated compliance report and provide copies of both reports and the Accredited Member's associated corrective action plan available to the DMCC within 30 days of concluding the Follow-up Review.

- 20.6 The DMCC may at its sole discretion sanction any Accredited Member who has achieved a '*Not compliant with the DMCC Rules for RBD-GPM - High Risk Deviations*' rating in respect of any of Rules 1 to 5 of the DMCC Rules for RBD-GPM and fails to adequately implement the provisions of its corrective action plan or any other relevant improvements. Such sanctions may include removal from any Accreditation Standard.
- 20.7 If an Accredited Member is required to conduct a Follow-up Review, the next annual Review period will commence on the date of conclusion of the Follow-up Review. A Reviewer must carry out the next Review following a Follow-Up review on a '*Reasonable Assurance*' standard in accordance with the ISAE 3000 standard.
- 20.8 It is expected that Accredited Members with an overall compliance rating of '*Not Compliant with the DMCC Rules for RBD-GPM - Medium Risk Deviations*' to improve its performance over time.

21. Breach of DMCC Review Protocol

- 21.1 During any Review, any one or more of the following circumstances shall constitute a zero-tolerance breach of the DMCC Review Protocol:
- (a) the Reviewer is not provided with adequate access to any of the Accredited Member's locations that are subject to the Review;
 - (b) the Accredited Member has used unethical methods to influence the outcome of the Review;
 - (c) any misrepresentation or falsification of documentation has been carried out by the Accredited Member and/or any supply chain participant (with the knowledge and acceptance of the Accredited Member); or
 - (d) the Accredited Member continues to have dealings with suppliers even though its due diligence has confirmed that the supplier is directly or indirectly associated with conflict precious metals, severe abuses of Human Rights, Money Laundering or Terrorism Financing.

21.2 Upon the occurrence, or reasonable suspicion of the occurrence, of any of the events set out in Section 21.1, the Reviewer must immediately and confidentially report the matter to the DMCC and such report shall be accompanied by the applicable supporting evidence.

21.3 Upon receipt of a report in accordance with Section 21.2, the DMCC shall at its sole discretion determine if the Reviewer's claims or suspicions are valid and consider at its sole discretion whether to take appropriate action against the Accredited Member, which may include removal from any Accreditation Standard.

22. Appeal Process

22.1 Any exercise of its powers of sanction by the DMCC in accordance with Section 20.6 or Section 21.3 of the DMCC Review Protocol shall be subject to Annex 4 - DMCC's Appeal Process, as published by the DMCC from time to time.

Annex 4 – DMCC Appeal Process

Assessment Appeal Procedure for Accredited Members and/or Reviewers

1. Overview

- 1.1 This procedure covers the process to be followed when there are eligible grounds for an appeal in relation to a decision made pursuant to the DMCC Rules for RBD-GPM (**Appeal Process**).

2. Scope

- 2.1 This Procedure may be used by an Accredited Member and/or Reviewer who wishes to appeal against a final decision which affects the Accredited Member's and/or Reviewer's business or status, including (but not limited to) the following:

- (a) a decision by DMCC that the Accredited Member be removed from any of the DMCC's Accreditation Standards;
- (b) a decision that the Accredited Member has been incorrectly rated by the Reviewer; or
- (c) a decision by the DMCC to remove the Reviewer from DMCC's List of approved Reviewers.

3. Appeals by an Accredited Member and/or Reviewer

- 3.1 An appeal may only be lodged in relation to the decisions described in Section 2 of this Annex 4.
- 3.2 An appeal must be supported by sufficient facts and evidence in order to be considered.

4. Grounds for Appeal by an Accredited Member

- 4.1 An appeal by an Accredited Member may be made only on one or more of the following grounds:

- (a) that there exists or existed circumstances affecting the Accredited Member's performance of which, for good reason, the DMCC may not have been made aware when the decision was taken and which might have had a material effect on the decision;

Note 1: If an Accredited Member wishes to appeal on such grounds, they must give adequate reasons with supporting documentation why this information was not made available prior to the decision being made.

- (b) that there has been a material administrative error or procedural irregularity in the assessment process by a Reviewer or in putting into effect the regulations for the DMCC Rules for RBD-GPM of such a nature as to cause significant doubt whether the decision by a Reviewer might have been different if the error or irregularity had not occurred; or

- (c) that there is evidence of prejudice or bias or lack of proper assessment on the part of DMCC and/or Reviewer.

5. Grounds for Appeal by a Reviewer

- 5.1 A Reviewer may only appeal a decision if there is evidence of prejudice or bias or lack of proper assessment on the part of the DMCC resulting in DMCC to take a decision to revoke the status of a Reviewer and removal from the Reviewer List.

6. Procedure for Initiating the Appeal Process

- 6.1 If an Accredited Member and/or Reviewer believes there are valid grounds for an appeal as outlined in this Annex 4, the Accredited Member and/or Reviewer (the **Appellant**) may invoke the formal procedure for initiating the Appeal Process.
- 6.2 A formal appeal may be initiated by completing an Appeals Form and submitting it to the secretariat of the IGC within twenty working days of notification of the result or decision under appeal. The Appellant should submit with the form any documents they wish to be considered in the appeal.
- 6.3 On receipt of the formal appeal, the IGC will convene an emergency meeting via teleconference or in person meeting to consider whether the appeal submitted meets the grounds for appeal as described in this Annex 4 and should be considered.
- 6.4 If the appeal submitted does not meet the grounds for appeal as described in this Annex 4, the IGC will decide not to allow the appeal. The Appellant will be notified within twenty working days of the appeal being received that the appeal is not eligible, with reasons given.
- 6.5 If the appeal is shown to have been made on one or more of the grounds set out in this Annex 4 as determined by the IGC, the following procedures are to be followed:
 - (a) the IGC secretariat will notify Appellant within twenty working days of the appeal being received that the appeal has valid grounds for initiating the Appeals Process;
 - (b) from the date of the above notice (Section 6.5(a)), the Appellant will need to provide the IGC secretariat a formal notice of intention to progress with the Appeal Process and to make payment of the relevant fee as described in Section 9 to DMCC within five business days, and if required, to formally submit any additional evidence to support the Appellant's appeal;
 - (c) from the date of above notice (Section 6.5(b)), the IGC secretariat will notify the Appellant of a meeting date/time to meet the members of the IGC who will sit on the appeal panel (the **IGC Appeal Panel**). The meeting will be scheduled no later than twenty business days from the date of above notice (Section 6.5(b)), to enable IGC to review all the evidence submitted and permit time for requesting an additional evidence for further clarification prior to the meeting with the IGC Appeal Panel through

the IGC secretariat. The Appellant is to make payment of the relevant fee as described in Section 9 to DMCC within five business days from the date of notification of the meeting date/time with the IGC Appeal Panel;

- (d) should the Appellant require an extension to submit additional evidence request by the IGC, the Appellant is required to formally communicate to the IGC secretariat the time required for the extension and reasons for the same. The IGC reserves the right to grant or reject the extension. In the event the extension is granted, the IGC reserves the right to stipulate the extension of the deadline date;
- (e) following submission of additional evidence, the IGC will require five business days to review the information and from the date of submission, the IGC secretariat will notify the Appellant of a rescheduled meeting date/time with the IGC Appeal Panel. The meeting is to be scheduled within ten business days from the date of submission of additional evidence; and
- (f) within ten business days from the date of the IGC Appeal Panel meeting, the IGC secretariat will notify the Appellant of the IGC Appeal Panel's final decision and actions to be taken.

7. The IGC Appeal Panel Meeting

- 7.1 The Appellant or its representatives may attend the meeting before the IGC Appeal Panel. Where the Appellant decides not to attend the meeting before the IGC Appeal Panel, the IGC Appeal Panel will proceed in the Appellant's absence.
- 7.2 The IGC Appeal Panel is empowered to call relevant individuals and/or entities with knowledge of the case to attend the meeting before the IGC Appeal Panel to give evidence and to correspond with the initial Reviewers or others as appropriate.

8. Conclusion of the Appeal Process

- 8.1 At the conclusion of the Appeal Process, the Appellant will be issued with a Completion of Procedures Letter from DMCC.

9. Fees for the Appeal Process

- 9.1 Fees are to be paid to DMCC in respect of the Appeal Process at the following stages:
 - (a) formally initiating the Appeal Process by the Appellant as described in Section 6.5(b); and
 - (b) notification of the IGC Appeal Panel meeting date/time as described in Section 6.5(c).
- 9.2 The fee schedule for the Appeal Process can be obtained from the DMCC. DMCC at its sole discretion may amend the fee schedule from time to time.

- 9.3 If the Appellant fails to make payment of the relevant fee, or such fee is not received in DMCC's bank account within five business days from the date of payment notification, DMCC reserves the right to terminate the Appeal Process.

Annex 5 - Minimum Reporting Requirements

1. Introduction

- 1.1 The purpose of this Annex 5 is to set out the mandatory minimum reporting requirements for the Review Reports as described in the DMCC Review Protocol in Annex 3.

2. Scope

- 2.1 The minimum reporting requirements are applicable to the following Review Reports:

- (a) a detailed report for Reviews performed in accordance with the ISO 19011:2011 standard as described in Section 16.3 of the DMCC Review Protocol in Annex 3; or
- (b) a Comprehensive Management Report for Reviews performed in accordance with the ISAE 3000 standard as described in Section 16.2 of the DMCC Review Protocol in Annex 3.

3. Minimum Reporting Requirements

- 3.1 Each Review Report must:

- (a) identify the Accredited Member and period under Review;
- (b) a description of the review activities conducted;
- (c) whether a corrective action plan or measures have been recommended;
- (d) Details of any disengagement with suppliers during the audit period and its reasons;
- (e) assessment of the actions taken/corrective actions implemented over the previous corrective action plan or measures recommended; and
- (f) a conclusion statement on compliance with the DMCC Rules for RBD-GPM.

Note 2: The conclusion statement must demonstrate the level of compliance in accordance to the DMCC Rules for RBD-GPM. The individual risks identified should be factored in to the overall level of compliance.

- 3.2 In respect of Rule 1, the Review Report must detail:

- (a) the adequacy of the Policy and robustness of its implementation taking into consideration the application of Rule 1.1 to 1.20; and
- (b) the adequacy and implementation of KYC requirements taking into consideration the application of Rule 1.1 to 1.20.

3.3 In respect of Rule 2, the Review Report must detail:

- (a) in relation to transactions:
 - (i) the number of transactions audited;
 - (ii) the percentage of the audited transaction as compared to the total number of transactions during the period subject to Review;
 - (iii) the sampling rules or methods used;
 - (iv) the total volume of Mined Gold and/or Precious Metals and/or Recycled Gold and/or Precious Metals in relation to the transactions audited;
 - (v) the total volume of Mined Gold and/or Precious Metals and/or Recycled Gold and/or Precious Metals in relation to the total number of transactions during the period subject to Review;
 - (vi) the total volumes of cash transactions (if any) and its usage in excess of government thresholds as applicable in the Accredited Member's place of domicile;
 - (vii) the total volumes of unrelated third-party payments (i.e. cash, bank transfers and metal accounts held with bullion banks) and physical gold and/or precious metal deliveries in unusual circumstances that are not consistent with local and/or international market practices (for example, value, quantity, quality, profit); and
 - (viii) adequacy and implementation of track and trace mechanism from mine/supplier to sale and/or physical delivery to the Accredited Member's suppliers;
- (b) in relation to geographical considerations:
 - (i) gold and/or precious metal sourced from different geographical locations based on physical form; quantity; actual or declared purity; country of origin and transportation; and
 - (ii) any transaction which is related to a sanctioned and/or embargoed country, entity, or individual;
- (c) in relation to risk assessment, the alignment of the risk assessment methodology with Rule 2 and any deviations from those requirements of Rule 2; and
- (d) the number of transactions and/or suppliers where enhanced due diligence was conducted during the period subject to Review.

- 3.4 In respect of Rule 3, the Review Report must detail the adequacy and implementation of the Risk Control Plan.
- 3.5 In respect of Rule 4, the Review Report must include a detailed assessment and rating of compliance with the DMCC Rules for RBD-GPM in accordance with the DMCC Review Protocol (Annex 3).
- 3.6 In respect of Rule 5, the Review Report must provide confirmation as to the Accredited Member's public disclosure on the Accredited Member's website of the relevant Review Reports in accordance with the DMCC Review Protocol in Annex 3 and Policy as described in Rule 1.3.
- 3.7 A description of the review activities conducted.
- 3.8 Whether a corrective action plan or measures have been recommended.
- 3.9 Assessment of the actions taken/corrective actions implemented over the previous corrective action plan or measures recommended

Annex 6 – English Translation of Cabinet Resolution No. 38 of 2014 Concerning the Executive Regulation of Federal Law No.4 of 2002 Concerning Anti-Money Laundering and Combating Terrorism Financing

United Arab Emirates

The Cabinet

Cabinet Resolution No. 38 of 2014 Concerning the Executive Regulation of Federal Law No.4 of 2002 Concerning Anti-Money Laundering and Combating Terrorism Financing

The Cabinet:

Having perused the Constitution;

Federal Law No. (1) of 1972 Concerning Jurisdictions of the Ministries and Powers of the Ministers, and amending laws thereof;

Federal Law No.4 of 2002 Concerning Anti-Money Laundering and Combating Terrorism Financing, and the amending laws thereof,

And based on the proposal by the Minister of Finance and the Cabinet's approval,

Has decided:

Article (1)

In the application of this Resolution, the following words and expressions shall have the meanings set out against each of them, unless the context requires otherwise:

The State:	The United Arab Emirates
The Law:	Federal Law No.4 of 2002 Concerning Anti-Money Laundering and Combating Terrorism Financing, and the amending laws thereof
The Regulation:	The Executive Regulation of the Law
The Minister:	The Minister of Finance
The Central Bank:	The Central Bank of the United Arab Emirates
The Authority:	The Securities and Commodities Authority
The Governor:	The Governor of the Central Bank
The Committee:	The National Anti-Money Laundering Committee
Property:	Assets of every kind, whether corporeal or incorporeal, moveable or immovable, and the legal documents or instruments evidencing title to those assets or any rights related thereto, of whatever type, whether electronic or digital
Money Laundering:	Any of the acts stated in Article (2) of the Law
Financing of Terrorism:	Providing, collecting, ensuring obtaining, or transferring money using any means, directly or indirectly, for any association, corporation, organization, centre, group, gang or persons to whom the provisions of Federal Law No. (7) of 2014 on Combatting Terrorist Crimes apply, whether the sources of such money are legal or illegal, whether such money is completely or partially used in a terrorist act, and whether terrorist acts are committed or not
Financing of Illegal Organizations:	Each physical act or legal action intended for providing money to an illegal organization or one of its activities or one of its affiliates
Proceeds:	Any property resulting directly or indirectly from the commission of any crime or offence
Suspicious Transactions:	Transactions related to property in relation which there are reasonable grounds to suspect that it has been generated from any crime or offence related to the financing of terrorism or illegal organizations, whether such crime or offence has been committed or is in the planning stage
Freezing or Seizure:	Temporary prohibition of the transfer, conversion, disposition or movement of property by an order issued by the competent authority
Confiscation:	Permanent deprivation of property by a court order
Instrumentalities:	Any item used or intended to be used in the commission of any crime or offence
Financial Institutions:	Any bank, finance company, money exchange establishment, financial or monetary intermediary or any other establishment licensed by the Central Bank, whether publicly or privately owned
Other Financial, Commercial and Economic Establishments:	Establishments licensed and supervised by agencies other than the Central Bank, which include non-financial jobs and professions such as real estate

	brokers, traders of jewellery and precious metals and stones, lawyers, legal consultants, private notaries and accountants
The Unit:	The Anti-Money Laundering and Suspicious Cases Unit established at the Central Bank in accordance with the Law
Client:	Any natural or legal person with whom financial institutions or other financial, commercial and economic establishments deal, such as for opening an account or providing a service to such person
Regulators:	Federal and local authorities which are mandated to ensure the implementation of laws and regulations related to monitoring and licensing financial institutions and other financial, commercial and economic establishments
Law Enforcement Bodies:	Local authorities that are mandated in accordance with its effective legislation to combat, investigate and collect evidence in all crimes, including money laundering and financing of terrorism and illegal organizations
Bearer Negotiable Financial Instruments:	Cash instruments in the form of bearer instruments, such as traveller checks, promissory notes and payment orders
Politically Exposed Foreign Persons:	Natural persons who occupy or previously occupied senior positions in a foreign country, such as presidents, prime ministers, senior politicians, government officials, judicial or military officials, senior executive directors of state-owned companies and senior political parties officials, and persons who occupy or previously occupied senior positions in international organizations
Actual Beneficiary:	A natural person who has effective control over the client or on whose behalf operations are carried out, including a person who has effective control over a legal person or a legal arrangement

Article (2)

Money Laundering Crime

1. Where a person knows that property is derived from a crime or an offence and intentionally commits one of the following acts, such person shall be considered a perpetrator of the money laundering crime:
 - a. The conversion, transfer or deposit of proceeds with intent to conceal or disguise the illicit origin of such proceeds;
 - b. The concealment or disguise of the true nature, source, location, disposition, movement, rights with respect to, or ownership of proceeds;
 - c. The acquisition, possession or use of such proceeds.
2. Money laundering is an independent crime and punishing the perpetrator of the original crime shall not prevent punishing him for the money laundering crime.

3. There shall be no need for conviction of committing the original crime to evidence the illicit origin of proceeds. Original crimes include original acts committed in another country, where they constitute a crime, and would constitute original crimes if they were committed within the State.

Article (3)

Responsibilities of Financial Institutions and Other Financial, Commercial and Economic Establishments

Financial institutions and other financial, commercial and economic establishments shall comply with the following:

- a. Implementing the provisions of the Law, this Regulation and any regulations or instructions issued by the Central Bank or any regulator, especially in relation to combatting money laundering and the financing of terrorism and illegal organizations in the State;
- b. Developing necessary systems and procedures to implement the provisions of the Law and this Regulation in consistence with the natures of their activities.

Article (4)

Financial institutions and other financial, commercial and economic establishments shall comply with the following:

- a. Establishing a special system to identify clients and their legal status, the actual beneficiaries and any amendments thereto;
- b. Continuously taking precautions, completing forms designed by regulators and ensuring keeping copies of all the following documents, information and details:
 - 1) Regarding a natural person:
 - a. The name as it appears in the ID card or passport, the nationality, place of residence, point of origin and the employer's name and address;
 - b. An identical copy of the ID card or a valid passport, while verifying the legal status of expatriates working in the State and obtaining the senior management's approval if a client or actual beneficiary is a politically exposed foreigner or a family member or a person related to the same;
 - 2) Regarding a legal person:
 - a. The legal status, name, habitat, activity, address, legal representative and representation evidence, and names and addresses of partners and shareholders where the shares of each constitute more than 5% of the capital, and taking the steps set forth in clause 1 of this article if the client or actual beneficiary is a politically exposed foreigner or a family member or a person related to the same;
 - b. Copies of the articles of association and a valid trade or professional license certified by the Ministry of Economy, local licensing authorities, free zone authorities, Ministry of Labor or the Ministry of Social Affairs in case of associations permitted to open bank accounts, as the case is.

Article (5)

Financial institutions and other financial, commercial and economic establishments shall comply with the following:

1. Refraining from dealing with bucket banks in any way, whether by opening bank accounts at them or accepting property or deposits from them;
2. Refraining from opening bank accounts using feigned, sham or fake names or using numbers without providing the names of their holders;
3. Verifying the origin or wealth of politically exposed foreigners or family members or persons related to the same and continuously monitoring their transactions;
4. Regularly and periodically updating all information and details related to the identities of clients.

Article (6)

Financial institutions and other financial, commercial and economic establishments must keep such records, files, documents, correspondence and forms decided by the Committee, the Central Bank and regulators for at least (5) five years from the date of closing the accounts of clients who have accounts at those institutions and establishments, from the date of the end of transactions between an establishment and clients who have accounts at it, from the date of completion of inspection by regulators, from the date of the completion of investigation or from the date on which a final judgment is issued by a competent judicial body, as applicable.

Article (7)

Financial institutions and other financial, commercial and economic establishments must notify the Unit of any transaction suspected of involving money laundering or financing of terrorism or illegal organizations using the form designed by the Committee to report on suspicious transactions.

Article (8)

Financial institutions and other financial, commercial and economic establishments must appoint a compliance officer according to the rules established by the Central Bank and the concerned regulator, and allow such officer to carry out the following tasks in a fully independent manner under their responsibilities:

1. Identifying cases of money laundering and combatting the financing of terrorism and illegal organizations;
2. Reviewing records and receiving, examining and investigating suspicious transactions and taking a decision to notify the Unit or close them, and providing reasons for the decision confidentially;
3. Reviewing the rules and procedures related to combatting money laundering and the financing of terrorism and illegal organizations and the establishment's compliance with them, providing suggestions to upgrade and

- develop them, reporting on them to the senior management twice a year and sending copies of them, along with the senior management's comments and decisions, to the Unit;
4. Developing and implementing training programs and plans for employees working in the establishment regarding all issues related to money laundering and the financing of terrorism and illegal organizations and how they can be combatted, in coordination with the Unit;
 5. Cooperating with the Unit and providing it with any details it requests, and allowing access of the Unit's staff to necessary records and documents.

Article (9)

Financial institutions and other financial, commercial and economic establishments must organize training and capacity building programs and workshops for compliance officers and other staff involved in combatting money laundering and the financing of terrorism and illegal organizations.

Article (10)

Measures set forth in Article (4) of this Regulations shall apply to branches and companies outside the State that are affiliated with financial institutions and other financial, commercial and economic establishments, if the countries where those branches and companies operate do not apply any measures or apply less effective measures.

Article (11)

The National Committee for Anti-Money Laundering and Combatting the Financing of Terrorism

The Minister shall issue a decision on the formation of the Committee, which shall be chaired by the Governor, determining its members according to nominations provided by the parties specified in the Law and entities added by the Chair of the Committee.

1. The Committee shall select a deputy chair from its members in its first meeting.
2. The Committee shall meet upon its Chair's invitation at least quarterly or when it is necessary.
3. A meeting of the Committee shall be valid if an absolute majority of members, including the Chair or the deputy chair, attend such meeting.
4. The Committee shall issue decisions with a two-third majority of votes of attending members.
5. Members of the Committee may participate in meetings via electronic video media.
6. If a member of the Committee fails to attend three consecutive meetings without a reason acceptable to the Committee, the Chair shall raise his recommendations in this regard to the Minister to take appropriate measures regarding such member.

7. The Committee may invite persons who have the experience and skills as it deems appropriate, but they shall not have the right to vote in the meetings.

Article (13)

The Committee may form subcommittees of its members to study any issues under its mandate, and it may resort to any persons who have the experience and skills as it deems appropriate.

Article (14)

1. The Committee may apply a risk-based methodology when determining and assessing risks of money laundering and the financing of terrorism and terrorist organizations at the national level.
2. The Committee shall propose national policies to combat money laundering and the financing of terrorism and illegal organizations taking into account the identified risks.
3. The regulator, in coordination with the Unit, shall deal with the risks identified by the Committee.

Article (15)

The Unit shall provide technical and administrative support to the Committee, and the Chair of the Unit shall serve as a rapporteur of the Committee.

Article (16)

The Unit's Terms of Reference

The Unit shall have the following duties and responsibilities:

1. Receiving, studying, analyzing and keeping reports from financial institutions and other financial, commercial and economic establishments regarding suspicious transactions related to money laundering and the financing of terrorism and illegal organizations;
2. Requesting additional information about reports on suspicious transactions related to money laundering and the financing of terrorism and illegal organizations from all financial institutions and other financial, commercial and economic establishments and from law enforcement bodies, if necessary;
3. Requesting information, details or reports from any non-profit association or institution if there are suspicions of money laundering for financing of terrorism or illegal organizations, or if there are complaints or reports regarding such associations or institutions, if necessary;
4. Cooperating and coordinating with the Central Bank and regulators to ensure compliance of financial institutions and other financial, commercial and economic establishments with procedures of anti-money laundering and combatting the financing of terrorism and illegal organizations;

5. Cooperating with judicial and law enforcement bodies in regards to money laundering and the financing of terrorism and illegal organizations, notifying the competent Public Prosecution of the outcome of checking and inspection and of any breach of the Law and this Regulation and providing sufficient details in their regard for appropriate action;
6. Periodically coordinating with the Committee, the Central Bank and regulators to establish and modify reporting forms for suspicious transactions to be used by financial institutions and other financial, commercial and economic establishments;
7. Establishing a database or a special register whether all information related to cases received by the Unit concerning money laundering and the financing of terrorism and illegal organizations is recorded and updated, and establishing necessary rules and controls to ensure keeping it confidential and undisclosed, unless approved in writing by the Unit's chair or a representative of him if he is absent;
8. Proposing the Unit's bylaw to be approved by the Committee's Chair;
9. Providing technical opinions regarding reports of suspicious transactions;
10. Exchanging information regarding suspicious transactions with similar units in other countries and international organizations and agencies in accordance with international agreements to which the State is a party or on the basis or reciprocity, and such information shall be used only for the purposes of anti-money laundering and combatting the financing of terrorism and illegal organizations;
11. Organizing training courses and programs for the staff of the Unit and any other entities, including providing technical assistance to the latter whether inside or outside the State;
12. Preparing studies, research and statistics concerning money laundering the financing of terrorism and illegal organizations, and following up any studies, research or statistics issued at both the national and international levels.

Article (17)

Terms of Reference of Regulators

A regulator shall coordinate with the Unit regarding the following:

1. Establishing rules, regulations, forms and measures to combat money laundering and the financing of terrorism and illegal organizations, which must be followed by financial institutions and other financial, commercial and economic establishments to identify clients and actual beneficiaries and their legal status, keep records and raise reports on suspicious transactions;
2. Establishing necessary rules and procedures to verify compliance of financial institutions and other financial, commercial and economic establishments under their supervision with the Law, this Regulation and other legislation related to anti-money laundering and combatting the financing of terrorism and illegal organizations in the State;
3. Organizing programs and campaigns to raise awareness regarding anti-money laundering and combatting the financing of terrorism and illegal organizations, each under its jurisdiction.

Article (18)
Property Freezing

1. The Central Bank may order freezing suspicious property associated with money laundering and the financing of terrorism and illegal organizations at financial institutions for no more than (7) seven work days, and notify the Public Prosecution.
2. Upon the Unit's request, a financial institution shall notify the owner of the frozen property and request him to provide it with necessary documents to provide the legality of such property's origin. At the end of the freezing period set forth in paragraph 1 of this article, and if there are no reports that the competent Public Prosecution has seized such property or precautionary custody on such property has been ordered by a competent court, the Central Bank shall cancel the freezing order.

Article (19)
Procedures of Freezing and Seizing Property

1. The Unit shall study and analyze reports on suspicious transactions received from financial institutions and other financial, commercial and economic establishments, and if it finds a transaction involving property originated from suspicious sources carried out in a financial institution, it shall raise a recommendation to the Governor to freeze such property.
2. The Unit shall notify the Public Prosecution if a freezing order is issued.
3. The Unit shall coordinate with the competent regulatory authority and law enforcement bodies in regards to property included in the reports on suspicious transactions received from financial institutions and other financial, commercial and economic establishments to take appropriate measures.
4. The Unit shall notify the concerned financial institutions and other financial, commercial and economic establishments regarding measures taken in relation to suspicious transactions.

Article (20)
Law Enforcement Bodies

1. Law enforcement bodies shall complete the forms designed by the Unit when requesting information from the database or from financial information units in other countries regarding reports of suspicious transactions.
2. Law enforcement bodies shall obtain permission from the competent judicial authority when they wish to obtain information from financial institutions about details of accounts or transfers of persons accused of committing any of the crimes set forth in the Law.

Article (21)

Disclosure Regulation

The concerned customs authority must apply the disclosure regulation issued by the Central Bank in relation to currencies and bearer negotiable financial instruments or precious metals or stones.

Article (22) **Confidentiality of Information**

Those who work in all entities that are subject to the provisions of the Law must refrain from disclosing any information related to suspicious transactions of money laundering or the financing of terrorism or illegal organizations, except to the extent it is necessary for investigations, lawsuits and cases related to breaches of the provisions of the Law. In all cases, a client may not be directly or indirectly contacted to be notified of the measures being taken against him unless by a written request from the concerned regulator.

Article (23)

Abstaining from disclosing the secrets of the profession may never be used as a justification when providing or requesting details and information in accordance with the provisions of the Law, this Regulation and decisions issued thereunder.

Article (24)

Any provision that is contrary to or in conflict with this Resolution shall be repealed.

Article (25)

This Resolution shall enter into force on the date of its issuance and shall be published.

Mohammed Bin Rashid Al Maktoum
Prime Minister

Issued on 12 Muharram 1436 H
05 November 2014

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