

# **DMCC**

---

## **DMCC Rules**

**for**

**Risk Based Due Diligence**

**in the**

**Gold and Precious Metals Supply Chain**

**Version 1.0/2016**

---

## **Contents**

Part A – Introduction and Guidance to Interpretation

Part B – Articles

Part C – Rules

Rule 1 – Supply Chain Management Systems

Rule 2 – Supply Chain Risk Identification and Assessment

Rule 3 – Risk Control Plan

Rule 4 – Independent Third Party Audits

Rule 5 – Annual Reporting on Responsible Supply Chain Due Diligence

Part D – Schedule

Part E – Annexes

Annex 1 – DMCC Whistleblowing Policy

Annex 2 – DMCC Approved Reviewer Application Form

Annex 3 – DMCC Review Protocol

Annex 4 – DMCC Appeal Process

Annex 5 – Minimum Reporting Requirements

---

# **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 consist of:

Part A – Introduction and Guidance to Interpretation;

Part B – Articles;

Part C – Rules;

Part D – Schedule; and

Part E – Annexes.

2. 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;<sup>1</sup>

**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 paragraph 1 of 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

---

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

repression, institutional weakness, insecurity, collapse of civil infrastructure, widespread violence and violations of national or international law;<sup>2</sup>

**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**;

**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;<sup>3</sup>

**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; and (g) ASM;<sup>4</sup>

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

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

**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, 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;<sup>5</sup>

**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;

**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; and

**UAE** means the United Arab Emirates.

---

<sup>2</sup> See footnote 1 above

<sup>3</sup> See footnote 1 above

<sup>4</sup> See footnote 1 above

<sup>5</sup> See footnote 1 above

3. 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 (as defined in the Schedule).
4. 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 recommended to implement the Rules to the extent applicable to their business.
5. 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 come into full force and effect on 1 August 2016 (**Effective Date**).
- 1.2 For Accredited Members:
- (a) from the Effective Date, the DMCC Rules for RBD-GPM shall replace the DMCC Practical Guidance; and
  - (b) the DMCC Practical Guidance shall function as a reference to assist with the interpretation of the DMCC Rules for RBD-GPM.

### 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 may choose 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 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 whether upstream or downstream in the supply chain relating to the Accredited Member’s conduct of business.

Any reference to an “**ultimate beneficial owner**” shall mean any person (legally incorporated or natural) who holds 10% 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 policy and detailed processes (**Policy**) to include common principles, standards and processes for responsible supply chain management. The policy should 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) each ASM's origin;
- (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).

**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) an accurate copy of a valid identity card or passport;
- (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;
- (vii) 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);
- (viii) a copy of its constitutional documents; and
- (ix) 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.

**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,

(and such copy in each case will be sent to: [responsiblesupplychain@dmcc.ae](mailto: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 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, which must conform 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) an inventory list classified as per supplier;
- (i) a “Track and Trace” mechanism for tracing products back to purchased material, which shall include:
  - (i) shipping/transportation documents;
  - (ii) sales documents with specific lot numbers;
  - (iii) mining licence(s) and related permissions;
  - (iv) import/export licence(s) and form(s); and
  - (v) reconciliation of documentation.

**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 closing the account for clients holding accounts with such establishments;
- (b) the date of conclusion of a complete inspection by the DMCC; and
- (c) the date of conclusion of complete investigation or issuance of a final judgment by the competent judicial entities, as the case may be.

### **Rule 1.15 Enhanced Relationships with Suppliers**

Each Accredited Member must continually attempt to enhance communications and relationships with each of its suppliers through any of 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 and each supplier's ultimate beneficial owner(s);
- (c) sharing with each supplier the DMCC Rules for RBD-GPM and the Accredited Member's obligations under the DMCC Rules for RBD-GPM and acknowledging the receipt of, and compliance with, such by each supplier;
- (d) incorporating the provisions of the DMCC Rules for RBD-GPM into contracts and/or agreements and KYC forms with each supplier; and
- (e) supporting and building capabilities of suppliers (if required) 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.

**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, which 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.

**Rule 1.18 Training of staff and KYC**

Each Accredited member must perform a KYC check on its staff during the staff on-boarding process and thereafter on an on-going basis every six calendar months.

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.

**Note 5** Each Category-B Accredited Member is strongly recommended to incorporate the training obligations of the Controller set out in the Resolution into its own Training Programme.

## **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 to apply and implement its Policy to identify and assess the risks 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 mine or transport any gold and/or precious metals 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 mine or transport any gold and/or precious metals in a Conflict-Affected and High-Risk Area, it is mandatory to implement Rule 2.2 to 2.9.

### **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 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, 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 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); or
- (c) 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 research should include some or all of the research methods specified below taking into account a cost-benefit analysis in proportion to the level of the risks identified in Rule 2.3 to 2.7;
- (c) the research methods that may be employed are Desk Research, On-Site Visits and Random Sample Verification;
- (d) **Desk research** includes:
  - (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 on each company in the supply chain;
  - (iv) ensuring that each company in the supply chain holds the necessary permits and licences; and
  - (v) ensuring that each company in the supply chain is not listed on any sanctions and/or embargoes list.

#### **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 visits to gold and/or precious metals suppliers and/or keeping independent or joint on-the-ground assessment teams to generate and maintain information on the circumstances and processes of the following activities:
  - (i) gold and/or precious metals extraction (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.

(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 control any identified risk(s) and mitigate against any adverse implications of such risk(s) (**Risk Control Plan**).

### Rule 3.2 Alignment with International Standards

Each Accredited Member must develop or adapt continually on an ongoing basis its Risk Control Plan to include internationally accepted common principles, standards and processes for responsible supply chain management.

### Rule 3.3 Minimum Content Requirements

Each Risk Control Plan should include the following (**Minimum 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 suppliers through establishing a chain of custody and/or traceability system where a Red Flag has been identified;
- (c) enhancement of the physical security practices as referred to in Rule 1.17;
- (d) physical segregation and security of shipments where a Red Flag has been identified;
- (e) 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;
- (f) continuity of trading activities while developing risk mitigation controls 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 with a specific supplier who fails to comply with the mitigating controls, and/or disengaging 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.

**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:

<b>Risk Level</b>	<b>Control Mechanism</b>
<b>Low</b>	Start or continue trading activities
<b>Medium</b>	Start or continue trading activities whilst mitigating the identified risks
<b>High</b>	Suspend trading activities whilst mitigating the identified risks by obtaining additional information/data confirming or refuting the adverse risk assessments; <b>OR</b> 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 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 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.

Pursuant to Article 1 of the DMCC Rules for RBD-GPM, the DMCC Practical Guidance shall function as a reference for the interpretation of the DMCC Rules for RBD-GPM.

### 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 adhere to the standards previously set out in the DMCC Practical Guidance, but also to maintain compliance with the relevant UAE regulatory framework pursuant to the Resolution and Law No. 4 of 2012. As a result, the

DMCC Rules for RBD-GPM introduce specific concepts that in part overlap and in part supplement the standards previously included in the DMCC Practical 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 all Accredited Members and Non-Accredited Members to conduct regular checks of their customer 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 recommends 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 and Reviewers (as defined in the DMCC Rules for RBD-GPM) 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 or the environment);
- (d) criminal activity;
- (e) improper conduct or unethical behaviour;
- (f) attempts to conceal any violations of the DMCC Rules for RBD-GPM or the DMCC AML/CFT Policy;
- (g) falsification of documents or fraudulent suppliers;
- (h) direct or indirect link to conflict gold financing; and
- (i) 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 [responsiblesupplychain@dmcc.ae](mailto:responsiblesupplychain@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 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

<b>Applicant's Full Name<sup>1</sup></b>				
<b>Applicant's Registered Address</b>				
<b>Applicant's Physical Office Address<sup>2</sup></b>				
<b>Is the Applicant an approved and/or regulated auditing entity?</b>	Yes		No	
<b>If Yes, please provide details of approving authority and/or regulator</b>				
<b>Is the Applicant a member of any initiative(s) similar to the DMCC Rules for RBD-GPM?</b>	Yes		No	
<b>If Yes, please provide details</b>				
<b>Please tick which of the following types of standards, the Applicants reviews are based upon<sup>3</sup></b>	<b>ISAE 3000</b>			
	<b>ISO 19011:2011</b>			
<b>Details of Applicant's regulatory and/or licensing body(ies)<sup>4</sup></b>				

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

<sup>2</sup> If different from the Applicant's Registered Address.

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

<sup>4</sup> 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

<b>Address for delivery of notices</b>		
<b>Contact Person</b>	<b>Title</b>	
	<b>First Name</b>	
	<b>Last Name</b>	
	<b>Position</b>	
	<b>Telephone</b>	
	<b>Email</b>	

## 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:

<b>Copy of Applicant’s licence to operate / company registration / certificate of incorporation</b>	
<b>Full details of the Applicant’s ownership structure</b>	
<b>Organisation chart of the Applicant’s full ownership structure<sup>1</sup></b>	
<b>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</b>	
<b>CV(s) of the persons conducting audits<sup>2</sup></b>	
<b>CV and details of the Applicant’s nominated lead auditor</b>	
<b>Copy of the Applicant’s authorised signatory list</b>	
<b>Passport copy for each person on the Applicant’s authorised signatory list</b>	
<b>Statement of Integrity<sup>3</sup></b>	
<b>Statement of Competency<sup>4</sup></b>	

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

<sup>2</sup> 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.

<sup>3</sup> The Statement of Integrity must demonstrate the Applicant’s independence with regard to any parties audited by it.

<sup>4</sup> 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. 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.

4. 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.
5. 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.
6. 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
7. The DMCC reserves the right to approve or reject at its sole discretion any application by an applicant to become a DMCC approved Reviewer. The decision of the DMCC shall be communicated in writing to the applicant. In case of rejection to become a DMCC approved Reviewer, the DMCC is not obliged to provide any reason for the rejection. DMCC's decision in relation to any application(s) for approved Reviewer status is final and not subject to appeal.
8. 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.
9. Prior to providing any approval and listing the applicant as a Reviewer on the DMCC corporate website, 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.
- 1.6 Pursuant to Article 1 of the DMCC Rules for RBD-GPM, the DMCC Rules for RBD-GPM shall replace the DMCC Practical Guidance for all Accredited Members, and the DMCC Practical Guidance shall function as a reference for the interpretation of the DMCC Rules for RBD-GPM.

**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 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 DNFBDPs; 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;
- (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
- (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 and established in accordance with the requirements of the DMCC Rules for RBD-GPM;
- (c) appropriate criteria for supply chain due diligence have been established 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 and procedures;
    - (ii) enhancing relationships with each supplier (in particular with long term suppliers) based on each supplier's risk classification;
    - (iii) disengaging with all high risk suppliers across all relevant staff members/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 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 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.

6.8 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 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.

## 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) ensuring the responsibilities and procedures of the Reviewer's assessment team and interactions with the applicable Accredited Member throughout the course of an Review is clearly defined;
- (c) ensuring that sufficient resources are provided by the applicable Accredited Member to enable the Reviewer to conduct a comprehensive Review;
- (d) ensuring that the Review is conducted in accordance with the DMCC Review Protocol and records are maintained;
- (e) ensuring that reports provided on the Review enable the monitoring, reviewing and implementation of a corrective action plan by the Accredited Member; and
- (f) 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 of concluding the on-site review activities set out in Section 13 the Reviewer shall 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 and processes as measured against other internationally recognized benchmarks (e.g. 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.
- 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 identify the Accredited Member and period under Review.
- 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 1.18; and
  - (b) the adequacy and implementation of KYC requirements taking into consideration the application of Rule 1.1 to 1.18.
- 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 total volume of Mined Gold and/or Precious Metals and/or Recycled Gold and/or Precious Metals in relation to the transactions audited;
    - (iv) 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;
    - (v) 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;
    - (vi) 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

(vii) 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.