



# **PROMISE GOLD REFINERY FZC**

## **RISK BASED ASSESSMENT | ONBOARDING AND MONITORING POLICY**

**Version Rev 02.0B.2024**





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## **Introduction:**

Promise Gold Refinery FZC Customer Onboarding policy is derived from Cabinet Decision No. (10) of 2019 Concerning the implementing regulation of decree law no. (20) of 2018 On Anti-Money laundering and combating the financing of terrorism and illegal organizations.

This policy is the guideline that needs to be followed by onboarding any customer or supplier by any employees of Promise Gold Refinery FZC.

This Policy is a directive regarding the documents that the Onboarding officer needs to collect from the Potential Customer -Supplier and the Methodology of Risk Assessment. This Policy list out the set of documents that needs to be collected from the counterparty, to identify, and verify the information provided by the counterparty and conducting of Risk Assessment, Risk Classification and Risk Mitigating Process that needs to be undertaken by the employees of the firm.

Promise Gold Refinery FZC will undertake CDD measures to verify the identity of the Customer and the Beneficial Owner before or during the establishment of the business relationship or opening an account, or before executing a transaction for a customer with whom there is no business relationship.

This policy also provided insight on how the documents provided need to be verified and how the information has to be derived from the documents, this policy also provides guidance on how to classify identify and mitigate the risk that is associated with each customer and Supplier.

This policy also provided insight into how the provided risk assessment tools that are provided to the employees of Promise Gold should be used to identify the risk associated with Political Exposed Persons (PEP) – Associated PEP, Sanction concerns and Adverse Media Concerns identified. How to mitigate the Hit occurring upon third-party screening tools, and the process to be followed upon identifying concerns.

This policy also provided insight into how the identified risk (such as Inherent Risk) are to be mitigated using the controls developed and recommended by the Head of Compliance. This policy also provided insights on the Red Flags to be identified by the employees and how to review these red flags presented and to understand the applicability of the red flags and the due course of action that needs to be undertaken and once the Genuity and impact of these concerns are reviewed the preventive action that needs to be taken to be compliant with the rules and regulations of the Regulator.

This policy also set a precedent on the review model and hierarchy that the employees must follow upon the scenarios arising in the event leading to Suspicious Transactions and Suspicious Activity to be reviewed and escalated and how the concerns are to be reported to the concerned regulatory authority.



## Enterprise-Wide Risk Assessment

Enterprise-Wide Risk Assessment (EWRA) constitutes a systematic approach to risk management, designed to comprehensively address potential threats and vulnerabilities across all operational facets of an organization. In contemporary business environments, characterized by dynamic risk and threat landscapes, the strategic imperative for organizations is to achieve equilibrium between the pursuit of strategic objectives and the implementation of robust risk management frameworks. It is critical to acknowledge that risk management is not a static endeavor; rather, it is a dynamic process that necessitates continuous adaptation in response to the emergence of novel risks, the evolving nature of existing risks, and the increasing complexity of global regulatory environments. Furthermore, organizations themselves are subject to continual evolution, driven by factors such as the introduction of new product lines, expansion into new market sectors or geographical regions, the pursuit of new customer demographics, and growth initiatives undertaken through organic development or mergers and acquisitions. Consequently, organizations must implement and maintain adaptive risk management systems and processes to effectively navigate these dynamic challenges.

### Overview of The Business

Promise Gold Refinery FZC operates within a highly regulated and sensitive industry, characterized by significant financial, operational, and reputational risks. Effective risk management is paramount to ensure business continuity, regulatory compliance, and the safeguarding of assets. This proposal outlines a comprehensive Enterprise Risk Assessment (EWRA) service designed to identify, assess, and mitigate risks across Promise Gold Refinery FZC's operations.

### Promise Gold Refinery FZC's Risk Landscape:

The Promise Gold Refinery FZC is exposed to a unique set of risks, including:

#### Financial Risks:

- Price volatility of gold and other precious metals.
- Counterparty risk associated with suppliers and customers.
- Liquidity and credit risks.
- Risks associated with international financial transactions.

#### Operational Risks:

- Security risks related to the storage and transportation of high-value assets.
- Operational disruptions due to equipment failures or natural disasters.
- Supply chain vulnerabilities.
- Environmental risks associated with refining processes.

#### Regulatory and Compliance Risks:

- Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) regulations.
- Know Your Customer (KYC) and Customer Due Diligence (CDD) requirements.
- Customs and trade regulations.
- Environmental and safety regulations.

**Reputational Risks:**

- Risks associated with ethical sourcing and responsible supply chains.
- Potential for involvement in illicit activities or scandals.
- Damage to reputation due to environmental incidents or safety violations.

**Our EWRA Approach:**

Our EWRA service will adopt a structured and systematic approach, encompassing:

**Risk Identification:**

- Conducting thorough assessments of Promise Gold Refinery FZC's operations, processes, and systems.
- Identifying potential risks across all business units and functions.
- Utilizing industry-specific risk frameworks and best practices.

**Risk Assessment:**

- Evaluating the likelihood and impact of identified risks.
- Prioritizing risks based on their significance.
- Employing quantitative and qualitative risk assessment methodologies.

**Risk Mitigation:**

- Developing and recommending risk mitigation strategies.
- Designing and implementing control measures to reduce risk exposure.
- Establishing contingency plans for potential disruptions.

**Monitoring and Reporting:**

- Establishing ongoing risk monitoring mechanisms.
- Providing regular risk reports to management.
- Facilitating continuous improvement of risk management practices.

**Conclusion:**

In the complex and dynamic gold refining industry, a robust EWRA is essential for safeguarding Promise Gold Refinery FZC's future. We are confident that our tailored approach will provide the necessary support to navigate the evolving risk landscape and achieve sustainable success.



## Parameters considered in Risk Based Assessment

1. Product Based Risk Assessment
2. Geographical Based Risk Assessment
3. Transactional Based Risk Assessment
4. Supply Chain Based Risk Assessment
5. Customer Based Risk Assessment

### 1. Product Based Risk

As Gold refinery is a regulated entity, it must consider product-based risks specific to the gold refining industry. These risks can arise from the physical nature of gold, its high value, and the complex processes involved in refining.

#### Classification of Product Based Risk

Product Type	Sub Category	Risk Class- ML	Risk Class- Supply chain
Primary Gold	ASM Mined Gold	Low Risk	High Risk
Primary Gold	Alluvial Gold	Low Risk	High Risk
Primary Gold	LSM Mined Gold	Low Risk	Medium Risk
Recycled Gold	Industrial by product	Medium Risk	Medium Risk
Recycled Gold	Melted/Smelted	Medium Risk	Medium Risk
Fine /Refined Gold	Non-Certified Gold Bar	High Risk	Low Risk
Fine /Refined Gold	Certified Gold Bar (DGD-LBMA)	High Risk	Low Risk

#### Other Risk Associated with the Products are as follows

##### Illicit Gold:

- Risk of sourcing gold from conflict zones or illegal mining operations.
- Challenges in verifying the origin and legitimacy of gold supplies.
- Reputational damage and legal penalties associated with handling illicit gold.

##### Quality and Purity:

- Variations in the quality and purity of raw gold supplies.
- Risks associated with inaccurate assaying and grading.
- Potential for adulteration or contamination of gold products.

##### Product Tampering:

- Risk of tampering with the gold product, to remove some of the gold, and replace it with a cheaper metal.
- Vulnerability during storage, transportation, and processing.
- Need for robust security measures.

By carefully assessing these product-based risks, Promise Gold Refinery FZC has developed effective risk mitigation strategies to ensure the integrity and security of its operations.



## 2. Geographical Based Risk

Promise Gold Refinery FZC conducts its Enterprise-Wide Risk Assessment (EWRA), geographical risks are crucial, especially given the global nature of the gold industry and the refinery's location in the UAE. Here are some key geographical risk factors to consider.

We consider three major rating parameters that we consider while conducting risk assessment are as follows

Rating Provided by	Type of Risk Associated	Risk Rating
OECD Risk Rating	Supply Chain Risk	Based on the List
CAHRA Listing	Supply Chain Risk	Based on the List
FATF High Risk Country Rating	Money Laundering Risk	Based on the List
Know Your Country Risk Rating	Money Laundering Risk	Based on the List
UAE-UN Sanction Watchlist	Money Laundering Risk	Prohibited List

### Other Risk Associated with the Products are as follows

1. Geopolitical Stability in the Country
  - <https://www.knowyourcountry.com/country-reports/>
2. Level of AML Implementation in the Country
  - <https://www.fatf-gafi.org/en/publications/Fatfgeneral/outcomes-fatf-plenary-june-2024.html>
  - <https://www.knowyourcountry.com/ratings-table/>
  - <https://www.fatf-gafi.org/en/countries/global-network/middle-east-and-north-africa-financial-action-task-force--menafa.html>
  - <https://www.fatf-gafi.org/en/countries/global-network/eastern-and-southern-africa-anti-money-laundering-group--esaamlg.html>
3. Presence of Organized Crime in the country
  - <https://globalinitiative.net/initiatives/ocindex/>
4. Presence of terrorist Organization in the country
  - <https://www.state.gov/reports/country-reports-on-terrorism-2023/>
5. Human Rights Abuse in the country Reports
  - <https://www.ohchr.org/en/publications/annual-report/ohchr-report-2023>
  - <https://www.amnesty.org/en/countries/>
6. Sanctions and Embargoes on the country.
  - <https://ofac.treasury.gov/sanctions-programs-and-country-information>
  - <https://www.fatf-gafi.org/en/publications/High-risk-and-other-monitored-jurisdictions/Call-for-action-february-2025.html>
  - <https://www.fatf-gafi.org/en/countries/global-network/eastern-and-southern-africa-anti-money-laundering-group--esaamlg.html>



### 3. Transactional Based Risk

When considering a transactional-based risk assessment for a gold refinery like Promise Gold Refinery FZC, it's crucial to understand the complexities of the precious metals industry and the associated risks.

Payment Type	Risk Category
Virtual Currency Payment	Prohibited
Cash Based Transaction	High Risk
Cross Country Transaction	Medium Risk
Banking Channel Transaction	Low Risk

#### Transaction Monitoring

- Implementing systems to monitor transactions for suspicious patterns.
- Identifying transactions that deviate from expected norms.
- Reporting suspicious transactions to the relevant authorities.

### 4. Supply Chain Based Risk

When incorporating a supply chain-based risk assessment into an enterprise-wide risk assessment for Promise Gold Refinery FZC, it's vital to recognize the unique vulnerabilities of the gold industry

#### Origin of Gold:

- Conflict-Affected and High-Risk Areas (CAHRAs): Sourcing from these areas carries risks of funding conflict, human rights abuses, and illegal armed groups.
- Artisanal and Small-Scale Mining (ASM): While vital to many economies, ASM can present challenges in traceability and responsible practices.

#### Traceability and Due Diligence:

- Complex Supply Chains: Gold can pass through multiple intermediaries, making it difficult to trace its origin.
- Lack of Transparency: Insufficient documentation and information sharing can obscure the true source of gold.

#### Ethical and Environmental Concerns:

- Human Rights Violations: Risks of forced labour, child labour, and other abuses in mining operations.
- Environmental Degradation: Concerns about pollution from mining activities, particularly mercury use.

#### Legal and Regulatory Risks:

- Non-Compliance: Failure to meet regulations related to responsible sourcing and Anti-Money laundering.
- Sanctions and Trade Restrictions: Risks associated with sourcing gold from sanctioned countries or entities.





## 5. Customer Based Risk Assessment

When integrating customer-based risk assessment into an enterprise-wide risk assessment for Promise Gold Refinery FZC, it's essential to recognize that customers are a significant source of potential risk.

### Know Your Customer (KYC) and Customer Due Diligence (CDD):

- This is the cornerstone of any customer-based risk assessment. It involves:
  - Verifying the identity of customers.
  - Understanding their business activities.
  - Assessing their risk profile.
- For a gold refinery, this includes scrutinizing the legitimacy of gold sources, the nature of their business, and their financial standing.

### Risk Profiling:

- Categorizing customers based on their risk levels (e.g., low, medium, high).
- Factors influencing risk profiles:
  - Geographic location: Customers from high-risk or conflict-affected areas pose a higher risk.
  - Business type: Certain business activities are inherently riskier (e.g., those involving opaque supply chains).
  - Transaction volume: Large-value or frequent transactions can be red flags.
  - Ownership structure: Complex or opaque ownership structures increase risk.
  - Politically exposed persons (PEP's)

### Enhanced Due Diligence (EDD):

- Applying more stringent due diligence measures for high-risk customers.
- This may involve:
  - Conducting deeper background checks.
  - Verifying the source of funds.
  - Monitoring transactions more closely.

### Transaction Monitoring:

- Continuously monitoring customer transactions for suspicious activity.
- Identifying patterns or anomalies that may indicate money laundering, terrorist financing, or other illicit activities.
- Implementing automated transaction monitoring systems.

### Ongoing Monitoring:

- Regularly reviewing and updating customer risk profiles.
- Ensuring that due diligence information remains current.
- Staying alert to changes in customer behaviour or risk factors.

By implementing a robust customer-based risk assessment framework, Promise Gold Refinery FZC can effectively mitigate risks and maintain compliance with regulatory requirements.



## Risk Analysis Scenarios

Likelihood of Occurrence	
Likelihood Type	Occurrence
Low	The scenario which occurs less than once per year, very unlikely
Medium	The scenario which occurs a few times per year, there is a reasonable chance
High	The scenario which occurs several times per year, high chance

Impact on Business	
Impact Type	Loss/damage and measures to be taken
Low	Negligible loss or damage, no measure from Compliance Officer, no effect
Medium	Limited loss or damage, simple measure from Compliance Officer, short-term effect
High	Significant loss or damage; enhanced measures from Compliance Officer, long-term effect

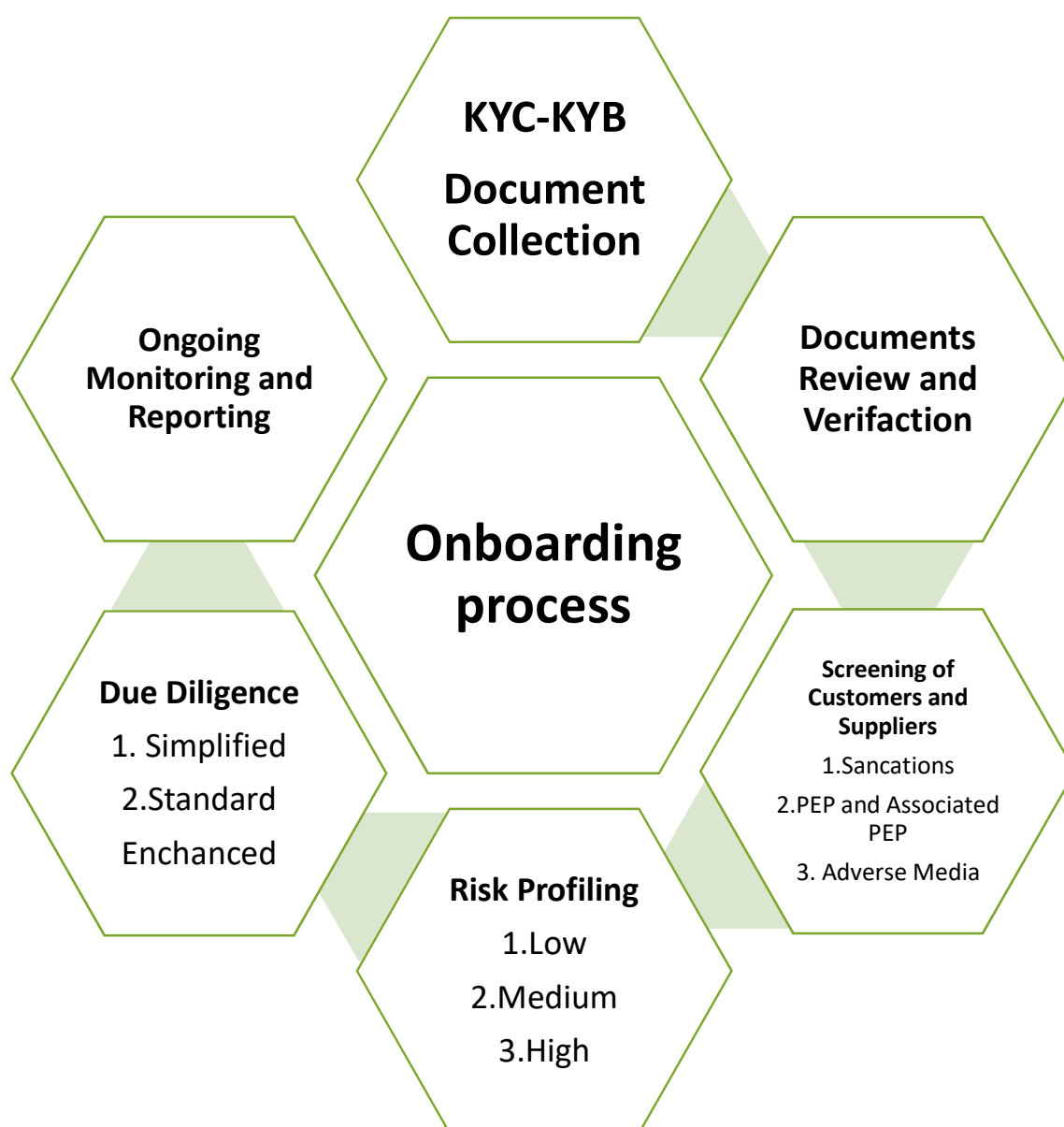
Level of Controls	
Control Type	Control Status
Strong	There are several measures in place to control risk, fully operational and fully effective
Effective	Risk is managed adequately, could be improved in certain parts, but works adequately & is effective
In Effective	Risk is not managed adequately, substantial improvement is necessary, but it has some effect
Non-Existent	No controls or controls have no effect

Residual Risk	
Residual Risk	Description
Low	The risk is unlikely to cause damage
Medium	There is a slight chance of this risk causing some damage
High	There is a considerable likelihood of this risk causing significant damage

Risk Appetite	
Residual Risk	Description
Accept	Mitigating measures are working
Reduce	Reduce risk or improve controls
Avoid	End the activities



## Customer and Supplier Onboarding Process





## Know Your customer and Business

Promise Gold Refinery FZC, potential customers and suppliers who wish to commence any business relationship with Promise Gold Refinery, have the option to either reach out to the Marketing and business development team in person to understand the documents that would be required to be submitted to be reviewed to proceed with the account opening or they could visit our website to understand the documents that would be required to be submitted to be reviewed to proceed with the account opening on our website the customer has the option of downloading our account opening forms and other supporting documents, which needs to fill and submitted to the onboarding team, Our AML Policy and procedure are also available on the website for the potential supplier and customer.

The Account opening forms and supporting forms are attached in **Annexure 1** for reference.

### **Checklist of Documents to be submitted during the Onboarding Process.**

The list of basic documents that we collect from our customers and suppliers are listed below these documents are used to conduct the customer's and supplier's due diligence.

<b>Basic List of Documents to be Submitted by Potential Customers and Suppliers- Scrap</b>	
1.	Valid Trade License issued by
2.	Latest Memorandum of Association
3.	Tax Registration Certificate
4.	Tenancy Contract/ Utility Bill of the Business Entity
5.	Passport, Visa, and Emirates/ National -ID of Shareholder above 25%.
6.	Residential Proof of Shareholder (Utility Bill / Tenancy Contract/Driver's License)
7.	AML -CTF Policy adhered to by the company
8.	Supply Chain Policy adhered to by the company
9.	Duly Filled and signed Promise Gold Account Opening Form
10.	Duly Filled and Signed Promise Gold's Gold Declaration Form
11.	Duly Filled and Signed Promise Gold Statement of conformance of recycled gold origin
12.	Duly Filled and Signed Promise Gold PEP Declaration Form
13.	Duly Filled and Signed Promise Gold Source of Fund and Wealth Form
14.	Duly Filled and Signed Promise Gold Responsible Sourcing Code of Ethics

**Basic List of Documents from Potential Customers and Suppliers-International Dore**

1	Valid Trade License issued by
2	Latest Memorandum of Association
3	Tax Identification Number
4	Tenancy Contract/ Utility Bill of the Business Entity
5	Passport, Visa (if Non-Citizen) and National -ID of Shareholder above 25%.
6	Residential Proof of Shareholder (Utility Bill / Tenancy Contract/Driver's License)
7	Mining License / Business License
8	Export License
9	AML -CTF Policy adhered to by the company
10	Supply Chain Policy adhered to by the company
11	Duly Filled and signed Promise Gold Account Opening Form
12	Duly Filled and Signed Promise Gold's Gold Declaration Form
13	Duly Filled and Signed Promise Gold Statement of conformance of recycled gold origin
14	Duly Filled and Signed Promise Gold PEP Declaration Form
15	Duly Filled and Signed Promise Gold Source of Fund and Wealth Form
16	Duly Filled and Signed Promise Gold Responsible Sourcing Code of Ethics



## Customer-Supplier Documentation Review Procedure:

### 1. Trade License:

A review of the Trade License should be conducted to analyze the following factors which would be a parameter in the review of the supplier-customer. The Risk associated with each element under the review is attached in Annexure 2.

- Validity of Trade License before Expiry.
- Nature of Business Activity: (Business Activity licensed to be undertaken by counterparty).
- Date of Incorporation to understand the Length of Business
- Identity the License Number of the Business.
- Share Holder Details/ Manager Details (If Applicable)
- Country of Incorporation (to Identify which country the Company is registered and conducts its business operations in.

### 2. Latest Memorandum of Association:

A review of the latest Memorandum of Association should be conducted to analyze the following details: -

- Business Objective
- Ownership Structure
- Voting Powers in the company
- Controlling Power in the company
- Capital and Share Holding Pattern
- Dividends Payment

### 3. Tax Registration Certificate /TIN and VAT:

A review of the Tax Certificate should be conducted to analyze if the customer-supplier has registered with the regulatory authority a is a legally registered company.

The Tax registration number has to be collected.

### 4. Tenancy Contract/ Utility Bill of the Business Entity

This review of is to be conducted to understand if the business is actually registered and is actually a company that is present and not shell company, this review is to ensure that Promise Gold doesn't conduct any business with a Shell company.

### 5. KYC Document of the Shareholders with Stake above 25%.

This review is to be conducted to understand and identify the UBO of the company, the company shareholders. We should Collect the following Documents.

- **Passport Copy:** To Identify the Nationality, the Date of Birth, and the Place of birth and verify the Photo.
- **Visa Copy:** (if applicable): To Identify the residential status of the Shareholder, if the customer is a valid Resident in UAE.
- **Emirates ID:** To verify the Residency Status in UAE.
- **National ID:** To verify the Current Residency Status of the customer and where the customer and supplier are currently domiciled.



#### **6. SHAREHOLDER UTILITY BILL:**

To verify the Residency Status of the Shareholder, we would have to check the shareholder is domiciled and where is the shareholder living, which would be used to understand the Geographical risk associated with the country of residence.

#### **7. AML -CTF POLICY ADHERED TO BY THE COMPANY:**

This document needs to be collected from the customer suppliers to understand the policy that needs to be identified, this policy helps us understand the Sanction policy, Screening policy, and Counter-Terrorist Financing policy implemented to ensure that the counterparty is protected against Money Laundering factors.

#### **8. SUPPLY CHAIN POLICY ADHERED TO BY THE COMPANY:**

This document needs to be collected from the customer suppliers to understand the policy that needs to be identified, this policy helps us understand the Supply chain policy, Sourcing Policy, and Transit Policy implemented to ensure that the counterparty is protected against Conflict Based sourcing factors.

#### **9. PROMISE GOLD REFINERY FZC ACCOUNT OPENING SET:**

This is a set of documents that contains six sets of documents, which would be provided to the potential customer and suppliers. The documents are as follows:

**a) Account Opening Forms:**

This document is used to collect information on the customer- Suppliers' information, this document provided information such as details of the company, contact information, Country of Incorporation, TRN Number, Nature of Business, PEP Details, Metal Details, Banking Details, Details of Source of Funds and Origin of funds, Management information, Shareholder Details, Identification of the UBO, Sanction Details, AML Details, Anti-Bribery Details, Transaction Monitoring, Environmental Regulatory Details, Responsible Sourcing and Supplier's code of ethics details followed by the customer.

**b) Gold Declaration Form:**

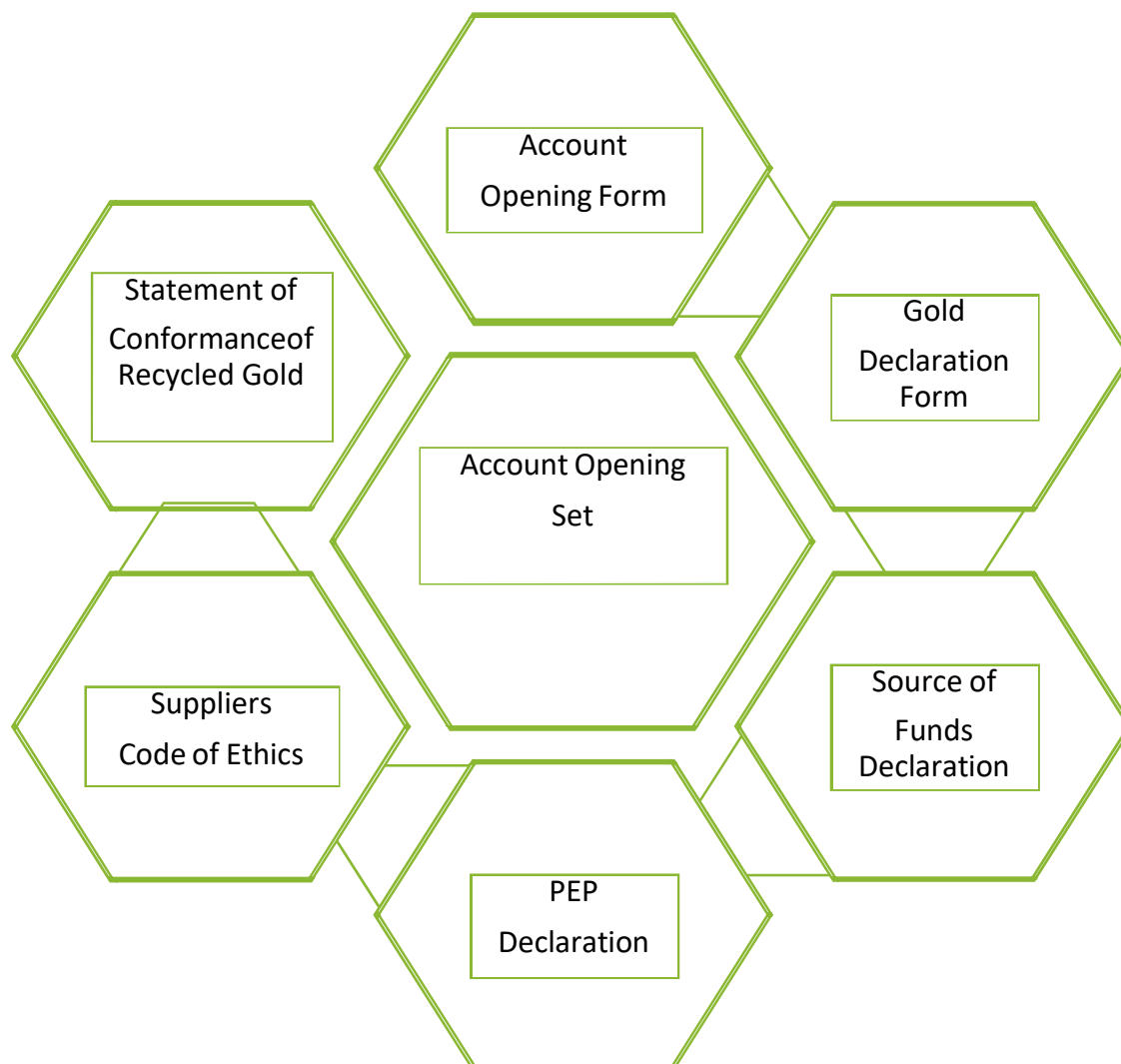
This is declaration form is used to collect information from the supplier and customer to ensure that the gold sourced is from legitimate sources.

**c) PEP Declaration Form:**

This declaration form is used by Promise Gold to understand the potential customer-supplier the customer-supplier and to understand if they are a Political Exposed Person or is associated with any PEP, this is declaration is to be collected and reviewed, against the Customer- Supplier documents to be screened to ensure that Promise Gold will be able to understand the Risk associated with onboarding of the customer and Suppliers.

**d) Declaration on Source of Funds:**

This declaration form is used by Promise Gold to understand the potential customer-supplier source of funds, this is declaration will be collected and reviewed, against the Customer- Supplier documents Promise Gold will be able to understand the Risk associated with onboarding of the customer and Suppliers.



## Documents Review and Verification

### Verification Methods:

- Cross-referencing information with official registries.
- Utilizing electronic verification services.
- Conducting site visits (when necessary).
- Desk Research

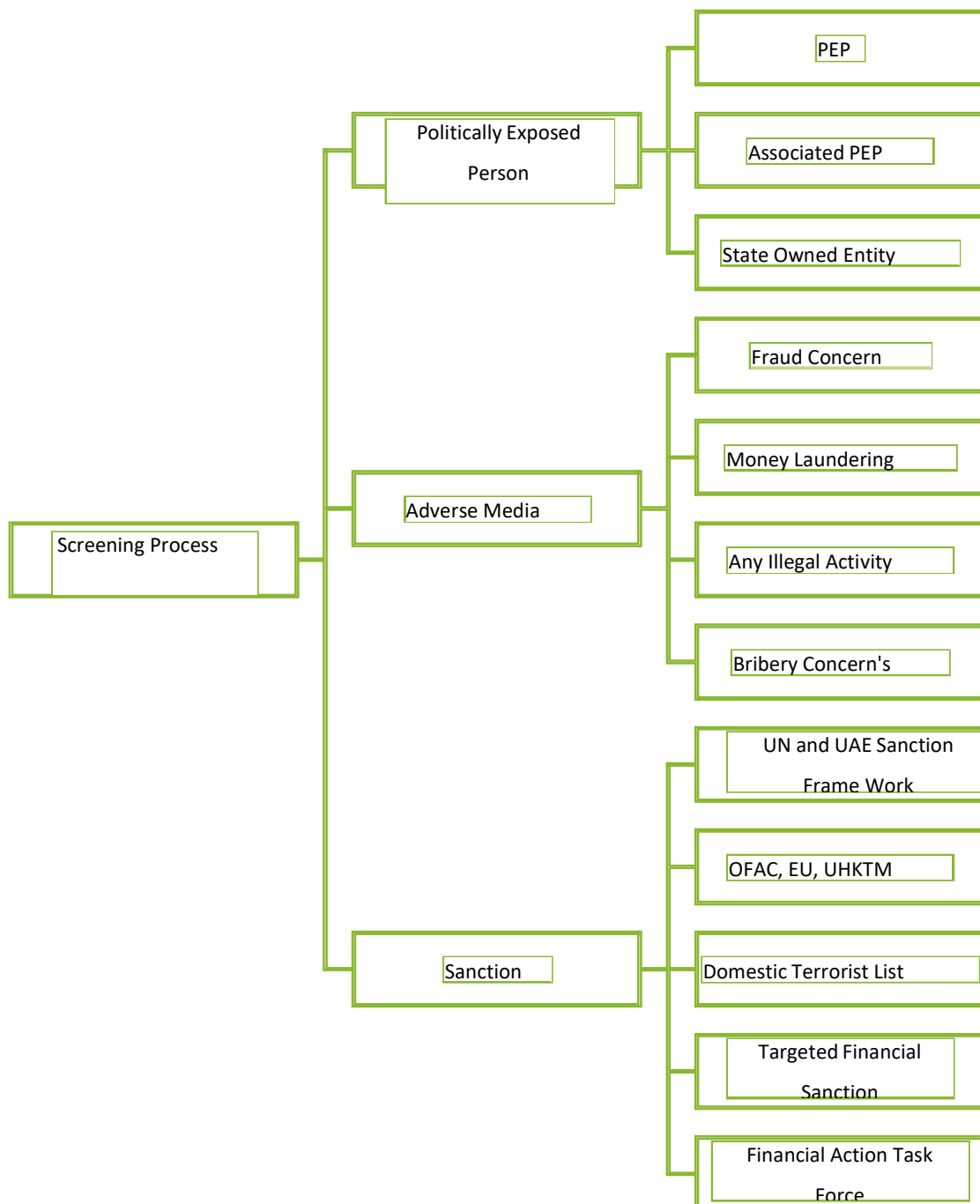




## Screening of Customers and Suppliers

Promise Gold Refinery FZC has a systematic screening process, which is facilitated by a third-party service vendor, Promise Gold used Cygnus Scan. All potential and existing Customers and suppliers are subjected to Promise Gold screening process. Promise Gold conducts multiple screening processes before onboarding any new suppliers and customers.

The Screening process followed by Promise Gold is as below:





All the Onboarded Customers and suppliers are placed on Ongoing screening under the World check, where they are screened on the above parameters. If there are any concerns noted on the customer suppliers and their shareholders, the third-party system will scan the details of the counterparty and associated parties on an everyday base if concerns are identified the system would raise an alert which would be reviewed by the compliance team to address the concerns.

## **MAJOR SCREENING PARAMETERS**

### **PEP ASSESSMENT RULES AND REGULATIONS:**

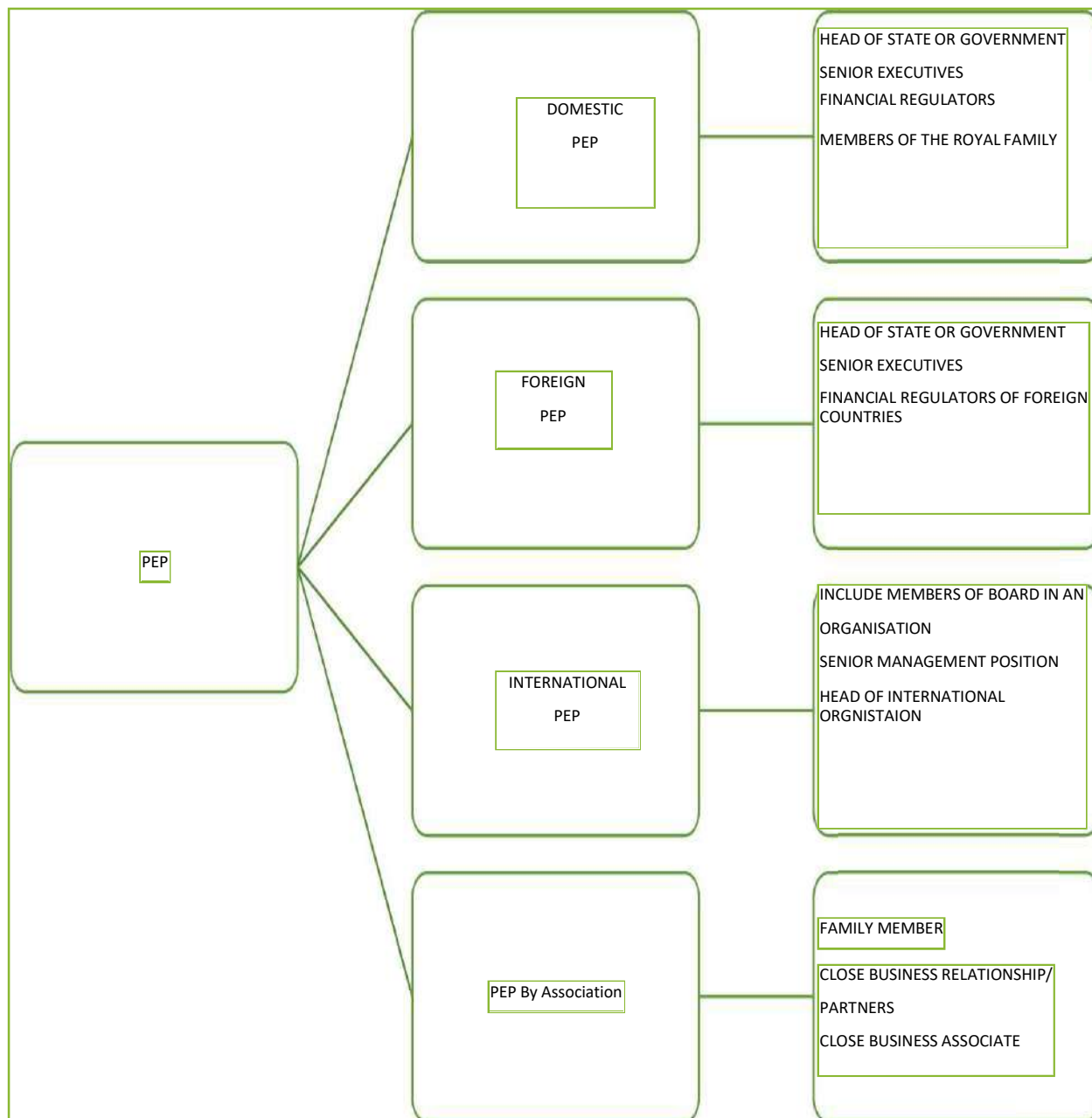
#### **Classification of PEP:**

Definition of Politically Exposed Person (PEP) is an individual with a high-profile political role, or who has been entrusted with a prominent public function. They present a higher risk for involvement in money laundering and/or terrorist financing because of the position they hold. PEP is defined as high-risk customers who have greater opportunities than ordinary citizens to acquire assets through illegal means such as taking bribes and money laundering. PEPs must be identified and screened in financial institutions because of the risks they have. The process of identifying PEPs and determining their risks is generally referred to as PEP List Screening and is a very important screening for the best implementation of AML compliance programs, especially in financial institutions.

#### **Types /Categories of PEP:**

#### **AML/CTF Rules define three categories of PEPs:**

- **Domestic PEPs** are individuals who hold a prominent public position or function in an Australian government body.
- **Foreign PEPs** are individuals who hold a prominent public position or function in a government body of a foreign country.
- **International organization PEPs** are individuals who hold a prominent public position or function in an international organization.
- **PEP by association:** The Spouse, Siblings, Children, and Parents, A natural person having joint beneficial ownership of legal entities and legal arrangements, or any other close business relationship. A legal person or legal arrangement whose beneficial owner is a natural person and is known to have been set up for the benefit of such person or his immediate family members.





## PEP RISK CLASSIFICATION FACTOR

<b>High Risk – Level 1 PEPs</b> <ul style="list-style-type: none"> <li>• Heads of state and government</li> <li>• Members of government (national and regional)</li> <li>• Members of Parliament (national and regional)</li> <li>• Heads of military, judiciary, law enforcement and board of central banks</li> <li>• Top ranking officials of political parties</li> </ul>	<b>Medium Risk – Level 2 PEPs</b> <ul style="list-style-type: none"> <li>• Senior officials of the military, judiciary, and law enforcement agencies</li> <li>• Senior officials of other state agencies and bodies and high ranking civil servants</li> <li>• Senior members of religious groups</li> <li>• Ambassadors, consuls, high commissioners</li> </ul>
<b>Medium Risk – Level 3 PEPs</b> <ul style="list-style-type: none"> <li>• Senior management and board of directors of state owned businesses and organisations</li> </ul>	<b>Low Risk – Level 4 PEPs</b> <ul style="list-style-type: none"> <li>• Mayors and members of local, country, city and district assemblies</li> <li>• Senior officials and functionaries of international or supranational organisations</li> </ul>

## RISK MITIGATION FACTOR:

Having good customer records and a PEP database that can be screened using unique identifying data will reduce the number of false positives and the overall burden on compliance teams.

## Process of Screening Unique identifying data should include the following:

1. Name (all known names and aliases)
  2. Date of Birth, and where this isn't available, Year of Birth.
  3. Country of political exposure
  4. Gender (where available)
  5. Politically exposed role(s), and date(s) or year(s) of appointment
  6. Date or year that the PEP left their position (where applicable)
  7. Where applicable if the PEP is deceased.
- Where possible, **use native character searching**. Searching for names in their native language greatly reduces false positives by limiting transliteration issues.
  - Use **geography to help determine risks**—not all countries pose the same risk. Lower-risk countries present the opportunity to reduce the amount of time spent reviewing close associates and relatives.
  - Reduce the number of hits you receive by **using date of birth and age to refine your search**.



### PEP Risk Screening Classification of Promise Gold:

Screening Results	Risk Rating Category
No Hits Identified	Low Risk
False Positive	Medium Risk
Potential Match	High Risk
True Match	Prohibited

### Risk Rating Table For PEP:

Details	Customer Details	Risk Grade
Customer Name		
Date of Birth		
Place of Birth		
Nationality		
Occupation		
Sector		
Position Held		
Year in which position was held last		

### Sanction Screening Policy and Risk Mitigation

Promise Gold Refinery FZC in conjecture with the UAE Cabinet issued Resolution (74) in 2020 regarding the designated individuals and Entities abiding by the two major sanction list

- The UAE Terrorist List – Issued by the UAE Federal Cabinet
- The United Nation Consolidated List- Issued by the United Nation Security Council.

Promise Gold regularly updates these lists from <https://www.uaecic.gov.ae/ar-ae/> and is supported by the third- party vendor “Refinitiv World Check”.

### Targeted Financial Sanctions (TFS):

The term Targeted Financial Sanctions means that such sanctions are against particular individuals, group entities, or undertakings.

- To deny certain individuals, groups, organizations, and entities the means to support terrorism or finance the proliferation of weapons of mass destruction.
- To ensure no funds, financial assets or economic resources of any kind as long as they remain subject to the sanction’s measures.

### United Nations Sanction Framework

- United Nations Chapter VII, under Article 41 defines sanctions as “measures not involving the use of armed force” employed to give effect to UNSCRs.
- Sanction regimes focus mainly on supporting the settlement of political conflicts, nuclear non- proliferation, and counterterrorism by measures ranging from comprehensive economic and trade sanctions to more targeted measures.
- Range of sanctions regimes
- Targeted sanctions (i.e. focused sanctions)
  - i. Arms embargoes
  - ii. Sectorial sanctions (i.e. Gold - Kongo, Charcoal - Somalia, etc.)
  - iii. WMD-related goods and materials



- Role of Sanctions Committees and experts
- Today, there are 14 ongoing sanctions regimes
- UN website (www.un.org) contains details for each regime

### The Financial Action Task Force (FATF)

Recommendations 6 and IO 10: Terrorism and its financing and Recommendation 7 and IO 11: Financing of the proliferation of weapons of mass destruction.

- **Focus:** Financial aspect of the sanction regimes
  - Asset freeze
- Out of scope but with an impact:
  - Travel bans
  - Arms embargoes
  - Sectorial sanctions
  - WMD-related goods and materials.



### TFS Framework

Targeted Financial Sanctions Framework <small>As per Cabinet Resolution 74 2020</small>			Intrnl. Sanctions Regime
Targeted Financial Sanctions <small>As per FATF Recommendations</small>		Other UN Sanctions Regime	<ul style="list-style-type: none"> <li>• OFAC</li> <li>• EU</li> <li>• HMT</li> <li>• etc</li> </ul> <p>Note: implementation of such sanctions depend on guidance and instructions issued by relevant Supervisory Authority</p>
Terrorist Financing (TF)	Proliferation Financing (PF)	<ul style="list-style-type: none"> <li>• <b>Somali</b> - UNSCR 1844</li> <li>• <b>Iraq</b> - UNSCR 1483</li> <li>• <b>Congo</b> - UNSCR 1596 &amp; UNSCR 1807</li> <li>• <b>Libya</b> - UNSCR 1970</li> <li>• <b>Central African Republic</b> - UNSCR 2127</li> <li>• <b>Yemen</b> - UNSCR 2140</li> <li>• <b>South Sudan</b> - UNSCR 2206</li> <li>• <b>Mali</b> - UNSCR 2374</li> <li>• <b>Beirut terrorist bombing</b> - UNSCR 1636 &amp; UNSCR 1701</li> <li>• Any other UN Sanction Regime</li> </ul>	
<ul style="list-style-type: none"> <li>• <b>ISIS &amp; Al-Qaida</b> UNSCR 1267, 1989</li> <li>• <b>The Taliban</b> UNSCR 1988</li> <li>• <b>UAE Local Terrorist List</b> UNSCR 1373</li> </ul> <p><b>FATF RECOMMENDATION 6</b> <b>FATF IMMEDIATE OUTCOME 10</b></p>	<ul style="list-style-type: none"> <li>• <b>Democratic People's Republic of Korea (DPRK)</b> UNSCR 1718 (2006)</li> <li>• <b>Islamic Republic of Iran</b> UNSCR 2231 (2015)</li> </ul> <p><b>FATF RECOMMENDATION 7</b> <b>FATF IMMEDIATE OUTCOME 11</b></p>		

### Promise Gold has abided by the Regulatory Obligation by Implementing the Below

<b>Register</b>	At the Executive Office website to receive automated updates to the local & UN lists.
<b>Screening</b>	Screen daily their customers, potential customers, beneficial owners, and transactions to identify possible matches.
<b>Implement TFS</b>	<ul style="list-style-type: none"> <li>• Freeze &amp; prohibition of funds</li> <li>• Report</li> </ul>
<b>Internal Controls</b>	<ul style="list-style-type: none"> <li>• Internal policies and procedures complying with TFS legislations.</li> </ul>



### Sanction Screening Policy of Promise Gold:

Promise Gold Conduct screening on existing, new, and potential clients to verify any positive names matched with any designated person (Entity or Individual).

Since Promise Gold conducts Ongoing Screening on third party applications, it is able to ensure that all new update to the relevant sanctions list screening is conducted on the customer database without delay when new names are listed.

### Promise Gold Performs Screening and Ongoing Screening on the below

- Customers
- Suppliers
- Aggregators
- Shippers
- Freight and Forwarders
- Shareholders
- Stakeholders Etc

### Factors Used for Screening for the Entity and Natural Person are as follows:

For natural person	For legal persons
<ul style="list-style-type: none"><li>▪ Name</li><li>▪ Aliases</li><li>▪ Date of birth</li><li>▪ Nationality</li><li>▪ ID or passport information</li><li>▪ Last known residency</li></ul>	<ul style="list-style-type: none"><li>▪ Name (s)</li><li>▪ Aliases</li><li>▪ Address of registration</li><li>▪ Address of branches</li><li>▪ Other information</li></ul>

### Screening Parameters



A **"Confirmed Match"** is when an individual, group, or entity matches most or all of the identifiers published on the Sanctions Lists.



A **"Potential Match"** is when there is any match between data in the Sanctions Lists with any information in your databases.

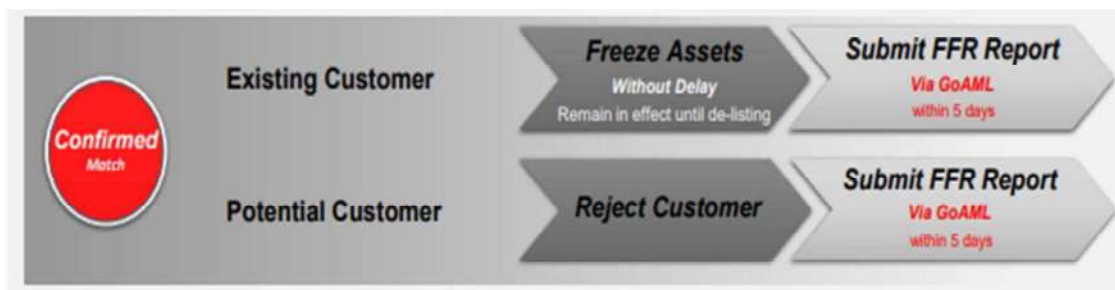


A **"False Positive"** is a potential match to listed individuals, groups, or entities either due to the common nature of the name or due to ambiguous identifying data, which on examination proves not to be a confirmed or potential match





## Sanction Implementation.



When a '**Confirmed Match**' to a designated individual, group, or entity to the UAE Local Terrorist List or UNSC Consolidated List is identified, FIs & DNFBPs are required to take the following necessary action:

- Freeze without delay and prohibition of making funds or other assets available or provide services. *[You should not close the accounts as it doesn't comply with cabinet Resolution 74 to 2020].*
- Report measures via the **GoAML** platform within five business days by selecting the Fund Freeze Report (FFR). The report will be received by the relevant supervisory authority and the Executive Office – IEC.
- Ensure all the necessary information and documents regarding the '**Confirmed Match**' is submitted along with the (FFR).
- Freezing measures shall remain in effect until the person is de-listed



When a '**Potential Match**' to a designated individual, group, or entity to the UAE Local Terrorist List or UNSC Consolidated List is identified, FIs & DNFBPs are required to take the following necessary action:

- Suspend without delay any transaction and refrain from offering any funds or services.
- Report the '**Potential Match**' via GoAML platform by selecting the Partial Name Match Report (PNMR);
- Ensure all the necessary information and documents regarding the name match is submitted
- Uphold suspension measures related to the '**Potential Match**' until further instructions are received from Executive Office – IEC or the relevant supervisory authority.





### Internal Controls implemented by Promise Gold

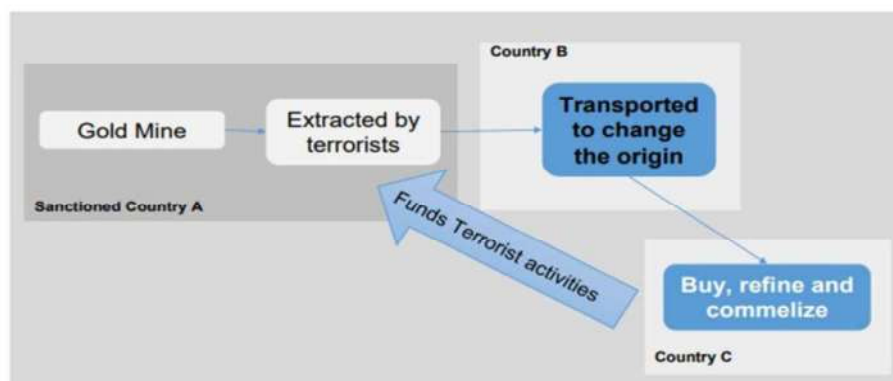
Promise Gold has placed internal controls to ensure compliance with the most recent publication of targeted financial sanctions of the UNSC Consolidated lists and the Local Lists.

Promise Gold has Policies and procedures that prohibit staff from, directly or indirectly, informing the customer or any third party that freezing action or any Other Measures are going to be implemented as per provisions of Cabinet Resolution 74/2020.

**TF evasion activities could be identified when no confirmed or potential match could be identified, but the transaction contains doubtful or suspicious information as per the following red flags:**

- Customer is engaging in complex commercial deals and arrangements that seem to be aiming to hide the final destiny of the transaction/good or the beneficial owner, which could be a designated individual, group, or entity. (E.G: the use of a front company, middlemen, or intermediaries by the designated individual to circumvent the targeted financial sanctions).
- Customer is carrying out multiple ATM cash withdrawals in short succession across various locations in territories where sanctioned people have influence or around the border of sanctioned countries linked to terrorist financing.
- Customer is suspected to be working or acting on behalf of, or is controlled by, a sanctioned individual, group, or entity.
- Pattern of wire transfer activity that shows unusual patterns or has no apparent purpose
- Lack of details regarding reasons for transferring funds.
- Customer or transaction is suspected of being linked (directly or indirectly) to DPRK's nuclear-related, WMD-related, or ballistic missiles weapons program.
- Customer or transaction is suspected of being linked (directly or indirectly) to IRAN's nuclear weapons program.
- Customer or transaction is suspiciously involved in the supply, sale, delivery, export, or purchase of dual-use, controlled, or military goods to countries of proliferation concerns or related to illegal armed groups.
- Transaction involves the sale, shipment, or export of dual-use goods incompatible with the technical level of the country to which it is being shipped
- Trade finance transaction involves shipment route (if available) through country with weak export control laws or weak enforcement of export control laws.

### Trade in Gold





## ADVERSE MEDIA INFORMATION SCREENING

Promise Gold Refinery will conduct searches for “Negative News Screening” (NNS) and other forms of adverse information to enhance its awareness of potential Financial Crime risk posed by both existing and prospective customers. While there remain some limitations and challenges pertaining to broad media searches, NNS can be a valuable mechanism that enables Promise Gold to have a better understanding of whom they are doing business with and the risks to which the company is exposed.

### Risk-Based Approach and Negative News Screening

Promise Gold has established the risk-based approach (RBA). Adherence to risk-based standards is paramount to applying a proportionate approach to NNS and effective and efficient risk management. Promise Gold recommends that the document in conjunction with its Guidance on the Risk-Based Approach and, as required, other applicable guidance issued by authorities in the jurisdiction(s) in which Promise Gold operates.

Promise Gold recognizes that there is no universally agreed and accepted definition of Negative News. For the purpose of this document, it has been broadly defined as ‘information available in the public domain which Company would consider relevant to the management of Financial Crime risk’. Negative News is also referred to as Adverse Media, Negative Media or Adverse News.

Conducting searches for Negative News and other forms of adverse information will enhance awareness of potential Financial Crime Risks posed by existing and prospective customers. It can be a useful screening mechanism that enables Promise Gold to have a better understanding of who they are doing business with and the risks to which a Promise Gold is exposed.

Promise Gold Adverse Media Screening enables us to leverage a range of information, data, and analysis available in the public domain and can be a useful tool to supplement the Customer Due Diligence (CDD) process and identify factors that may impact on the risk profile of the Customer. This can assist an FI to understand the Financial Crime and related Reputational risks posed by a business relationship so that they can be managed appropriately.

Typically, there are two key factors to consider when establishing Adverse Media Information First, Company should determine the risk categories to screen e.g., the types of crime or event in scope of Adverse Media Information. The second factor is the ‘maturity’ / stage of the crime or event committed:

- **Risk Category:**

For example, the predicate offence the company wishes to screen in the scope of its NNS solution e.g., Money Laundering, Terrorism/Terrorist Financing, Bribery and Corruption, Organized Crime, Drug Trafficking, Human Trafficking, Wildlife Trafficking, Proliferation and Proliferation Financing, and Tax Evasion.

- **Risk Stage:**

This is the maturity of the offence and starts with an allegation, which then likely becomes an investigation which may lead to charges ending with a conviction. An FI will need to determine at which stage it wishes to be alerted to the potential Negative News, recognizing that alert volumes at the allegation stage will be higher than receiving an alert at conviction stage once the alleged crime has been investigated and may have less AML/CTF value.



### **Factors to be considered while determining the Scope of Adverse Media Information**

- the products a customer uses
- the segment to which the customer belongs
- the geographies where the customer is based or to which they have a nexus
- the status of the customer's internal risk rating or score, which may incorporate the above elements.

### **Risk-based decisions may include:**

- Type of Screening: e.g., performing this manually, the use of internet search engines or automation through an internally or externally built solution. It could also be a combination of all of these.
- Scope of Screening: Promise Gold CDD/EDD process and technology should determine who should be screened (e.g., customers, UBOs, related parties or non-customers).
- Frequency: an Promise Gold will need to determine at what frequency and stage of the customer lifecycle screening should take place (e.g., daily, weekly, monthly, quarterly, annually, whenever)
- CDD/EDD is conducted, including onboarding, triggered event, periodic, on-going basis).
- Media Sources/Lists: an FI may establish specific media sources to be in-scope of monitoring (e.g., consideration can be given to the credibility of the source, and the coverage of adverse information within a specific geographical span).
- **Risk Categories and Stages:**  
**Timelines:** Promise Gold has established a period of how far back media should be screened for the in-scope risk categories. A multi-year look-back threshold may be appropriate, either for all media or higher or lower periods based on the crime/offense types. Additionally, once an initial review has been conducted (e.g., at onboarding) it may only be necessary to screen against new media events.

### **Promise Gold Adverse Media Information Screening Processes**

- Monitoring of the screening population to certify that the total number of alerts generated matches the total of alerts worked on (referred, dispositioned and/or closed).
- This gap analysis allows Company to identify process gaps or missing alerts
- Supervise the adherence to policies, procedures, and processes
- Implement testing of NNS processed alerts to ensure compliance with agreed, risk-based discounting standards.
- Monitoring and testing of the false positive alert population to ensure there are no missed true matches. The application effectiveness and efficiency criteria to measure the performance of Adverse Media capabilities such as
  - a) Screening volume
  - b) Volume of alerts generated
  - c) False positives and true matches
  - d) Quality assurance outcomes



## Information Used to Conduct Adverse Media Screening

For natural person	For legal persons
<ul style="list-style-type: none"><li>• Name</li><li>• Aliases</li><li>• Date of birth</li><li>• Nationality</li><li>• ID or passport information</li><li>• Last known residency</li></ul>	<ul style="list-style-type: none"><li>• Name (s)</li><li>• Aliases</li><li>• Address of registration</li><li>• Address of branches</li><li>• Other information</li></ul>

## Risk Screening Classification

Screening Results	Risk Rating Category
No Hits Identified	Low Risk
False Positive	Medium Risk
Potential Match	High Risk
True Match	Prohibited

## RISK PROFILING OF CUSTOMER AND SUPPLIERS

This summary outlines the methodology and key considerations for evaluating the risk profiles of customers and suppliers engaged with Promise Gold Refinery FZC. The evaluation process is designed to systematically assess potential risks against predefined risk factors, ensuring compliance with regulatory requirements and mitigating exposure to illicit activities.

### Evaluation Process:

**Data Collation and Verification:** Gathering and verifying all relevant data from onboarding documentation and external sources.

**Risk Factor Assessment:** Evaluating each data point against the specified risk factors, assigning risk scores or ratings as appropriate.

**Risk Profiling:** Developing comprehensive risk profiles for each customer and supplier, categorizing them based on overall risk levels (e.g., low, medium, high).

**Due Diligence Implementation:** Applying appropriate due diligence measures based on the assigned risk profile, including Enhanced Due Diligence (EDD) for high-risk entities.

**Ongoing Monitoring and Review:** Implementing continuous monitoring of customer and supplier activities and regularly reviewing risk profiles to ensure accuracy and relevance.



## CUSTOMER DUE DILIGENCE REVIEW

Promise Gold Refinery FZC recognizes the critical importance of robust Customer Due Diligence (CDD) in mitigating financial crime risks, ensuring compliance with regulatory requirements, and maintaining the integrity of its operations within the precious metals sector.

CDD measures are applied proportionally to the assessed risk level of each customer, with higher-risk customers subject to enhanced scrutiny. The foundation of the CDD process involves verifying the identity and legitimacy of all customers. Customer relationships are continuously monitored for changes in risk profiles or suspicious activity. Identifying and verifying the natural persons who ultimately own or control the customer entity. Screening customers against international sanctions lists, continuously monitoring customer transactions for unusual or suspicious activity.

Adopting the Risk-Based Approach is the best way to improve the effectiveness of the Customer Due Diligence process – Higher the risk exposure, the more stringent AML checks to be applied.

3 TYPES OF CUSTOMER DUE DILIGENCE			
Deciding Parameters	Simplified Due Diligence	Standard Due Diligence	Enhanced Due Diligence
Type of customer's ML/FT risk profile	LOW	MEDIUM	HIGH
<b>Due Diligence measures to be applied</b>	<ul style="list-style-type: none"> <li>Identify the UBO</li> <li>Nationality of all Shareholders</li> <li>Verify the identity</li> <li>Screening               <ul style="list-style-type: none"> <li>PEP</li> <li>Sancation</li> <li>Adverse Media</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Obtain Information about address and address proof</li> <li>Understand the nature of business</li> <li>Understand the purpose of the transaction</li> <li>UBO Identification and Nationality</li> <li>Screening results</li> </ul>	<ul style="list-style-type: none"> <li>Source of Funds</li> <li>Source of Wealth</li> <li>PEP or PEP Association</li> <li>Senior Management approval</li> </ul>
<b>Nature of ongoing monitoring</b>	<ul style="list-style-type: none"> <li>Less frequent</li> <li>Re KYC 12-16 Months</li> <li>Re Documentation annually</li> <li>25% Transaction Review</li> </ul>	<ul style="list-style-type: none"> <li>Regular monitoring</li> <li>Re-KYC 12 Months</li> <li>Re-Documentation Annually</li> <li>25%-50% Transaction Review</li> </ul>	<ul style="list-style-type: none"> <li>More frequent monitoring</li> <li>Re-KYC 12 Months</li> <li>Re-Documentation Annually</li> <li>100% Transaction Review</li> </ul>
<b>Example of customer warranting specific due diligence</b>	<ul style="list-style-type: none"> <li>A company listed on the recognized stock exchange</li> <li>UAE Based</li> <li>Simple Shareholding structure</li> <li>LOB more than 5 Years</li> <li>Geography location of Business</li> <li>Type of Metal Traded in Fine Gold (DGD-LBMA) Local Scrap.</li> </ul>	<ul style="list-style-type: none"> <li>LLC and Free Zone company in UAE and Low Risk International Co.</li> <li>Multiple Layer of ownership</li> <li>LOB less than 1 year</li> <li>Geography location of Business</li> <li>Type of Metal Traded in Fine (Non -Certified) and Scrap (Local – International)</li> </ul>	<ul style="list-style-type: none"> <li>LLC and Free Zone company International and High-Risk Country</li> <li>Multiple Layer of ownership</li> <li>LOB less than 1 year</li> <li>Geography location of Business and sourcing</li> <li>Type of Metal Traded in Fine (Non -Certified) and Scrap (Local – International)</li> </ul>



Promise Gold in order to assess the risk associated with each customer has classified the Risk category into the following:

- 1) **Low-Risk Customers and Suppliers**
- 2) **Medium -Risk Customers and Suppliers**
- 3) **High-Risk Customers and Suppliers**
- 4) **Prohibited Customers and Suppliers**

#### **Low-Risk Customers and Suppliers**

This classification categorizes the customer based on the factors such as customers who have:

- provided all the kyc documentation that is required to review all the details that is associated with the customer/supplier along with the ownership details and nature of the business.
- These customers have had long-standing business relationships with Promise Gold. The ownership structure is not complex.
- These customers have a regulatory and supervisory framework in the countries that they are incorporated in.
- The Risk Rating of the Country which these customers and Suppliers are incorporated are considered a Low Risk country by Know your country and FATF Risk Rating. These customers and suppliers are incorporated in countries that have no sanctions and are not in the FATF Grey List that require additional supervision.
- These companies are regulated and certified by Independent organizations such as LBMA, RJC and UAE Good Delivery.
- These customers have product size is less than 5 Kg per shipment, and they have provided the source of funds and source of wealth to make the purchase or sale of the products, Transparency and transferability related to the ownership of products is well established.
- The companies have a very transparent Mode of Delivery and has secured third party Logistics partners (like Brink, G4S, Transguard) ,involved in the supply of the product.
- These companies have No cash transaction involved all the payments are made and received through bank transfers
- The payment are not made to any related party or third party, the payment is made into the customer/ suppliers own bank account.
- These customers have no Multi Level of ownership, and UBO are from Low Risk countries and are not a PEP or associated to a PEP.
- These customers have no Hit during the screening (Sanction, PEP and Adverse Media).
- These customers have well-established AML and CFT Policies and Sourcing Policy

#### **The course of Action:**

A Standard Due Diligence will be conducted on Low-Risk Customers, by the Compliance Assistant Manager, who will review and conduct basic screening of the Customer/ Supplier and shareholders who would be placed under Ongoing Screening. These customers can be approved by the compliance Assistant Manager, after conducting Standard Due Diligence.



### Medium -Risk Customers and Suppliers

This classification categorizes the customer based on the factors such as customers who have the following factors.

- Customer who has provided all the KYC documentation that is required to review all the details that are associated with the customer/supplier along with the ownership details and nature of the business.
- These customers have had long-standing business relationships with the Promise Gold. The ownership structure is not complex.
- These customers have a regulatory and supervisory framework in the countries in that they are incorporated.
- The Risk Rating of the Country in which these customers and Suppliers are incorporated are considered a Medium Risk country by Know your country and FATF Risk Rating.
- These customers and suppliers are incorporated in countries that have no sanctions and are not on the FATF Grey List which requires additional supervision.
- These companies are regulated and certified by Independent organizations such as LBMA, RJC and UAE Good Delivery.
- These customers have a product size is less than 10-25 Kg per shipment, and they have provided the source of funds and source of wealth to make the purchase or sale of the products, Transparency and transferability related to the ownership of products are well established.
- The companies have a very transparent Mode of Delivery and have no third party involved in the supply of the product.
- These companies have Less than 10% cash transaction involved, and 90% of the payments are made and received through bank transfers
- The payment is not made to any related party or third party, the payment is made into the customer/supplier's own bank account.
- These customers have no Multi Level of ownership, and UBOs are from Medium-Risk countries.
- Local (United Arab Emirates) PEP are classified into this Category.
- The Supplier who is sourcing metal from medium Risk Country where the AML and Corruption are at medium levels.
- These customers have no Hit during the screening (Sanction, PEP and Adverse Media).
- These customers have well-established AML and CFT Policies and Sourcing policies.

### The course of Action:

A Standard Due Diligence will be conducted on Low-Risk Customers, by the Compliance Assistant Manager, who will review and conduct basic screening of the Customer/ Supplier and shareholders who would be placed under Ongoing Screening. These customers can be approved by the compliance Assistant Manager, after conducting Standard Due Diligence. These customers will be reviewed on a Annual Bases.





### High-Risk Customers

This classification categorizes the customer based on the factors such as customers who have the following Traits.

- Customer who has provided the basic KYC documentation that is required to review all the details that are associated with the customer/supplier along with the ownership details and nature of the business.
- These customers do not have a long-standing business relationship with the Promise Gold and who any customer who has been in the business for less than one Year.
- The ownership structure is complex and has multiple levels of ownership of the company.
- These customers have very less regulatory and supervisory frameworks in the countries in which they are incorporated and countries that they operate in.
- The Risk Rating of the Country in which these customers and Suppliers are incorporated are considered as High-Risk country by Know your country and FATF Risk Rating.
- These customers and suppliers are incorporated in countries that are on the FATF Grey List which requires additional supervision.
- These Suppliers are involved in sourcing metal from directly from the mines, hence they are exposed to the high probability of Bribery, Corruption and Environment Abuse hence they are categorized as High Risk.
- These companies have large-scale shipment.
- These Companies have
- These companies are not regulated and certified by Independent organizations.
- These companies actively use Hand Carry and Air Cargo for their delivery and also use authorized third parties for the delivery of Metals.
- These companies have Less than 25% cash transactions involved, and 75% of the payments are made and received through bank transfers.
- The payment is not made to any related party or third party, the payment is made into the customer/supplier's own bank account.
- These customers have Multi Levels of ownership, and UBOs are from High -Risk countries or Sanctioned countries but are residents in Non-Sanctioned countries and have been living there for a period more than 3 years.
- International PEP from Low-Risk Countries and PEP's who have no Adverse Media against them are listed in this category.
- These customers have Potential Hits during the screening (Sanction, PEP and Adverse Media) but are found not to be a True Match.
- These customers have AML and CFT Policies and Sourcing policies.

### The course of Action:

Compliance Manager would conduct an EDD review and conduct Enhanced screening of the Customer/ Supplier and shareholders, once approved these customers would be placed under Ongoing Screening. For these customers' all their transactions will be subjected to screening, the compliance manager will conduct a Monthly review of their overall activity to ensure the Risks are Mitigated.



**Prohibited Category:**

Any customer or supplier would be categorized as Prohibited if they fall under the below category.

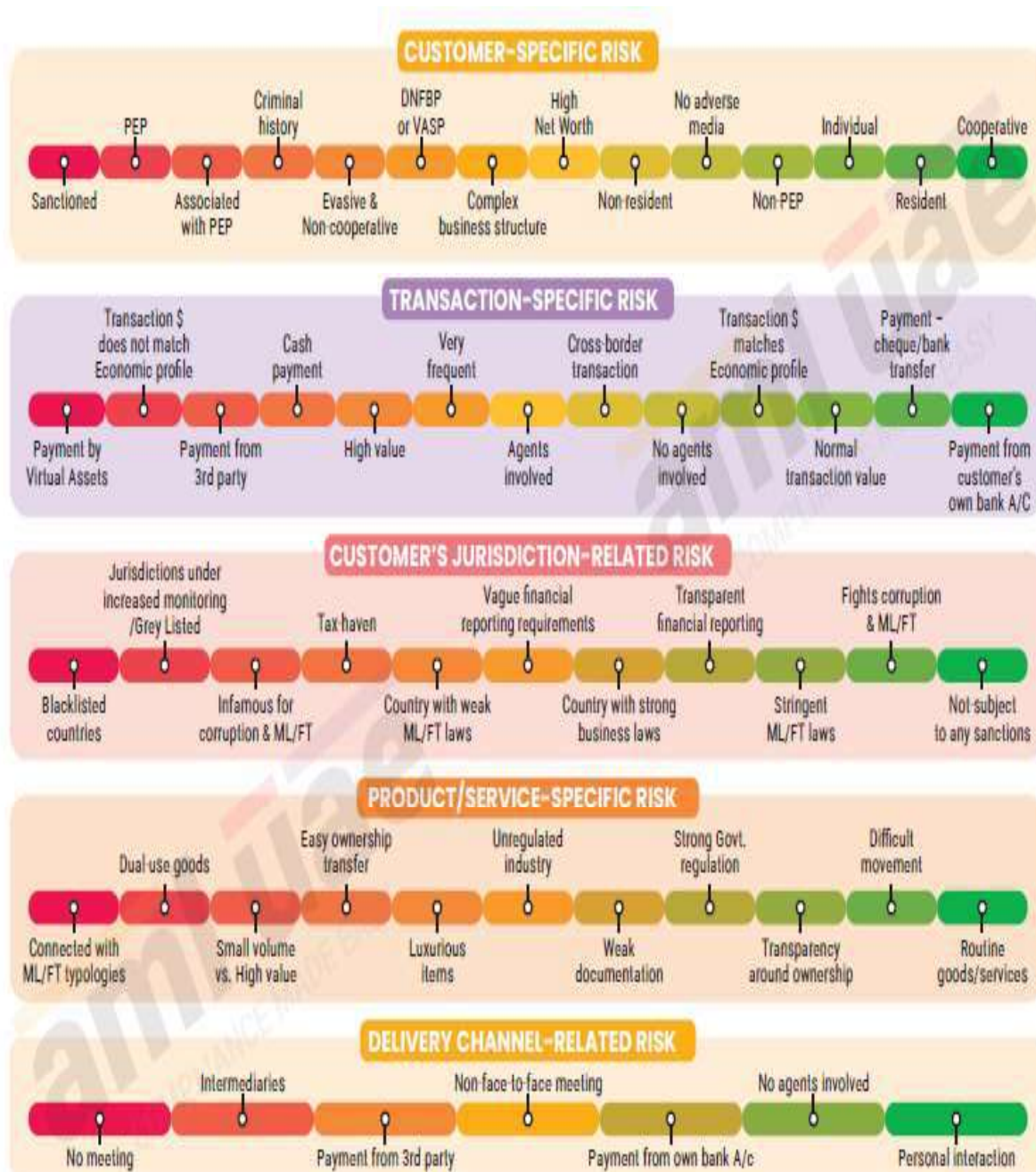
- Any company or Shareholder registered in any Sanctioned country, the UBO is Residents of Sanctioned Countries or Countries that are listed in Conflict-Affected and High-Risk Areas or Operating from these areas.
- Is a foreign pep from a High-Risk Country and PEP who have adverse media Information.
- Is a restricted or sanctioned person on an official authority watch list.
- Where payment is made in form of precious metal and stones or equivalent form.
- Where business relationships and transactions are involved from Sanctioned jurisdictions.
- Person/country; located in a Conflict-Affected high-risk country; or is connected to the extraction industry, for instance, the extraction of natural resources such as gas, oil, diamonds, gold (and other precious metal), and wildlife (e.g., ivory trading) from CAHRA
- Has a complex ownership structure, making it difficult to identify the owners and controllers or know where funds are coming from or going.
- Is a charity or a 'not-for-profit organization (NPO) –terrorists may exploit charities to move funds, provide logistical support, encourage terrorist recruitment, or support other terrorist groups.
- Customers /Supplier and Shareholders who have been convicted for AML, Bribery, Smuggling, Human Rights Abuse, Human Trafficking etc.
- Customer so are not willing to provide KYC Documents to validate the Ownership of the firm.
- Customers who request payment to be made and received in form of cryptocurrency.
- Customers and suppliers who use shell banks and shell companies.
- Company or shareholder has been listed or associated with Terrorist List.
- Supplier who do not have proof of Tax Payment to the government for their shipment.
- Customer / Suppliers who do not have Valid Trade License, Export License and Mining License.
- Customer who have their company incorporated in a Black Listed country (Iran and Democratic Republic of Korea).
- Customer and Supplier who are Multiple Third party involved in Supply Chain.
- Companies who insist on conducting only cash-based transaction.
- Companies and Shareholders who have been True Match Hit during screening for (PEP, Sanctions and Adverse Media info).

**The course of Action:**

Compliance Manager would conduct review and Review and Straight away Reject these Customer and Suppliers at the time of on boarding. If its and existing customer, the staff will bring the concerns to the compliance manager who will conduct a review and would be reporting to the component authority via GO AML and conduct necessary actions as required by the regulator and Exist the relationship with the customer at the earliest.



## Parameter of Customer Risk Assessment





## **Ongoing Monitoring and Reporting**

### **Ongoing Screening:**

All customer categories are subject to be ongoing screening for Sanction, PEP and Adverse media information. A periodically risk-based review is carried out to ensure that customer-related data or information is kept up to date. This required periodic screening of the customer's transaction for high risk. In case of any unusual transaction or suspicious transaction or activity please follow the instruction on reporting as prescribed in the Policy.

### **High Risk Call for Action and Gray List by FATF**

Promise Gold Refinery FZC does not deal with the High-Risk Call for Action countries (Refer FATF High-Risk Countries). During the course of business relationship if any transaction is originating from, routed through or destined to high risk jurisdictions "Call for action" as well as any financial or non-financial engagement involving an individual or entity hailing from (by virtue of nationality, residency, place of incorporation) a country classified as a 'High-Risk Jurisdiction subject to a Call for Action' by FATF (list available via link on NAMLCFTC's website -High Risk Countries) should be mandatorily reported as per Reporting requirements. Compliance officer shall determine to report such a transaction to FIU in appropriate form.

The list of Jurisdictions under Increased Monitoring (the Gray List), shall be adopted along with the requirements to implement procedures by DNFBPs that may include enhanced due diligence measures. Promise Gold Refinery FZC shall continuously monitor the black list and gray list of FATF and take measure accordingly.

To refer to the Black and Gray list please visit the following National Committee website:

<https://www.namlcftc.gov.ae/ar/>.

### **Unusual Transactions, Suspicious Transaction and Suspicious Activity Reporting (SAR/STR)**

Promise Gold Refinery FZC shall establish indicators through which crimes involving money laundering and terrorist financing can be suspected and appropriate enhanced due diligence and reporting requirement can be dispensed with. Refer Appendix 1 for non- exhaustive Suspicious activity Red Flag.

### **Internal Reporting**

If any staff come across any suspicion or have reasonable ground to suspect that the transaction or the activity during the screening, the business relationship, counterparty or the customer represent all or some form of proceed or suspicion of their relationship to the crime or that they will be used regardless of the value shall be referred/reported to the Compliance Officer. In case of PEP, High Risk jurisdiction, all relationships should be signed by the Compliance officer and owner of the Promise Gold Refinery FZC.

### **External Reporting**

Where it is sufficient that the transaction or the activity is suspicious in nature the Compliance team shall determine reporting of suspicious transactions and activities reports (STR / SAR), and to provide any additional information concerning these reports, and to update such indicators on ongoing basis, in addition to keeping a permanent update on relevant developments related to types, patterns and methods of money laundering and terrorist financing. Post the submission of the stated report, the reporting entity must wait for three working days before executing such transaction(s) unless it receives feedback from FIU with any advice or objection pertaining to the reported transaction(s).

In the absence of any response from the UAE FIU within three working days, the Compliance Officer based on the risk assessment of the case shall reserve the discretion to approve or deny the case. All business rejection cases by Compliance should be backed by the Promise Gold Refinery FZC owner. Tipping off is a punishable offence and is not permitted.



Promise Gold Refinery FZC shall make sure its Compliance Officer is registered to the Go AML Portal for direct reporting of Unusual/STR and SARs.

#### **A. Politically Exposed Person (PEP) Screening**

PEP refers to Politically exposed person. Natural persons who are or have been entrusted with prominent public function in the state or any their foreign country such as Head of the Government, Senior Politicians, State Government officials, judicial or military officials, senior executive managers or state owned corporations, and senior officials of political parties and person who are, or have been entrusted with the management of an international Organization or any prominent function within such an Organization including Direct Family members of PEP or Associates known to be close to Associates.

Enhance Due Diligence measures should be applied in case of business relationship, Counterparty or PEP has been identified as PEP Promise Gold Refinery FZC Owner's/ Compliance Mangers approval is must prior to proceeding based on risk assessment on all PEP cases. In doing so Promise Gold Refinery FZC should be:

- Implementing (automated) screening systems which screen customer and transaction information for matches with known PEPs;
- Incorporating thorough background searches into their CDD procedures, using tools such as:
- Manual internet search protocols;
- Public or private databases;
- Publicly accessible or subscription information aggregation services;
- Commercially available background investigation services.

#### **Targeted Financial sanction**

Where the customer is positive match to sanctions category for Proliferation of risk or Terrorism financing under UN Security Council or UAE National list of Individual and Entities, Promise Gold Refinery FZC is expected to freeze the funds or do not honor the transaction and within 24hours of awareness of sanction individual/entity/beneficiary. It is prohibited to make any such funds/precious without the prior consent of the Executive Office of UAEIEC. In such instances, compliance officer shall immediately to notify through UAEIEC and Ministry of Economy through GoAML. In implementing the TFS, Promise Gold Refinery FZC must do the following;

##### **Step-1 Subscribe:**

Subscribe to the Executive Office Notification System to receive automated email notifications on any updates to the Sanctions Lists (Local Terrorist List or UN Consolidated List)

##### **Step-2 Screen:**

Promise Gold Refinery FZC must screen constantly their customers, potential customers, beneficial owners, and transactions to identify possible matches to the Local Terrorist List or UN Consolidated List (Refer [www.uaieec.gov.ae](http://www.uaieec.gov.ae) for the list).

##### **Screening must be undertaken in the following circumstances:**

Upon any updates to the Local Terrorist List or UN Consolidated List. In such cases, screening must be conducted immediately and without delay to ensure compliance with implementing freezing measures without delay (within 24 hours).



1. Prior to onboarding new customers/business relationships
2. Upon KYC reviews or changes to a customer's information.
3. Before processing any transaction.

#### **Apply Targeted Financial Sanctions:**

1. Freezing of all funds: Freeze, without delay (within 24 hours) and without prior notice, all the funds:
  - Owned or controlled, wholly or jointly, directly, or indirectly, by an individual or legal entity designated by the UAE Cabinet or pursuant to a relevant UNSC Resolution.
  - Derived or generated from funds under item (a); or
  - Individuals or legal entities acting on behalf of or at the direction of an individual or legal entity designated by an individual or legal entity designated by the Local Terrorist or pursuant or the United Nations consolidated list.
2. Prohibition of making funds/supply of precious Metal or stones or equivalent: No individual or legal person in the UAE is permitted to provide services related to, whether in whole or in part, directly or indirectly, or for the benefit of any individual or legal entity listed in the Local Terrorist List or the UN Consolidated List pursuant to a relevant UNSC Resolution.

#### **Report:**

Should report any freezing or suspension measures taken upon identifying confirmed or potential matches through the GoAML platform within five (5) days from taking such measures.

#### **Updation of KYC information**

KYC information should be reviewed periodically, based on the risk categorization of the customer and supplier, with the Lowest Updating period being annually and Highest Risk Being Done every quarterly.

#### **Use of Third party for CDD**

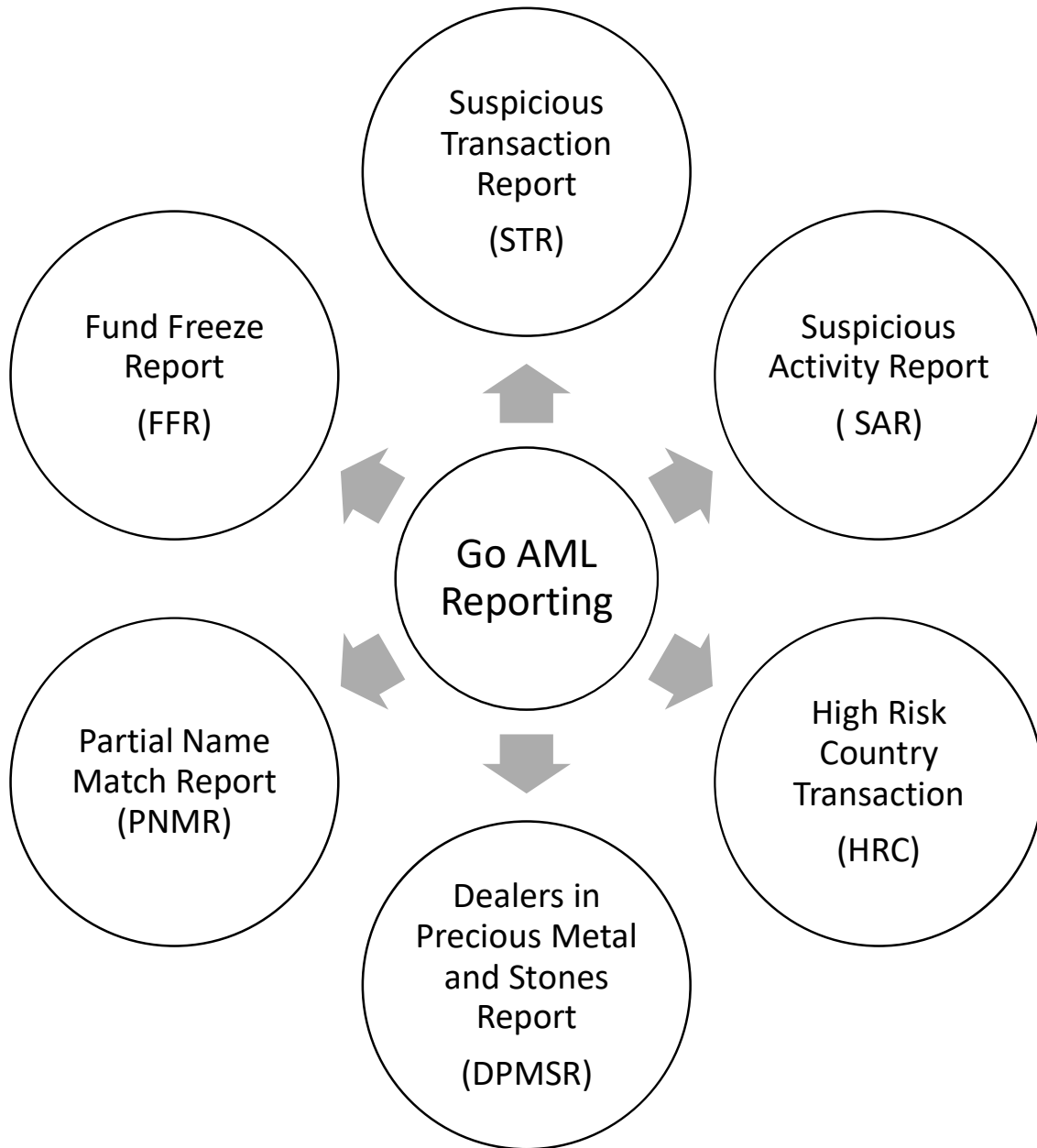
Promise Gold Refinery FZC may use the third party in reliance on a third party of the entire or part of the CDD process as well as reliance on a third party when to introducing business. In selecting a third party, Promise Gold Refinery FZC should ensure that:

- The third party is regulated and supervised, and adheres to the CDD measures towards Customers and record-keeping.
- The third party should also have adequate and effective control measure on Anti Money Laundering, Counter financing of Terrorism and Illegal organization and sanction measures.
- SLA is agreed with the third parties setting role and responsibilities of each party.
- Procedures for the certification by third parties of documents and other records pertaining to the CDD measures undertaken.
- Copies of the Identification and verification checks are made available as and when required.
- They reserve right to audit third party and their business relationship, customer and counterparty data, due diligence documentations.

Promise Gold Refinery FZC does not utilize foreign third party in carrying out CDD checks. However, when it chooses as such, it would ensure that the regulatory requirement and the data protection requirement of UAE are considered before offshoring such services.



## GoAML Portal Reporting Requirements







## Suspicious Transaction Report (STR)

- The GoAML platform is the system used by the UAE Financial Intelligence Unit (FIU) for receiving and analyzing STRs.
- It's a crucial tool for regulated entities to fulfill their AML/CFT reporting obligations.
- Financial Institutions and Designated Non-Financial Businesses and Professions (DNFBPs) in the UAE are legally required to report suspicious transactions to the FIU.
- A suspicious transaction is any transaction, attempted transaction, or funds for which a regulated entity has reasonable grounds to suspect that it involves the proceeds of crime, is related to money laundering or terrorist financing
- When a suspicious transaction is identified, regulated entities must file an STR through the GoAML portal.
- Confidentiality is very important. Tipping off a customer that an STR has been filed is illegal.

## Suspicious Activity Report (SAR)

The GoAML platform is the UAE's central system for reporting Suspicious Activity Reports (SARs), formerly known as STRs. It serves as a vital tool for combating money laundering and terrorist financing. Regulated entities, including designated non-financial businesses and professions (DNFBPs), are legally obligated to report suspicious transactions through this platform.

A suspicious activity is any transaction, attempted transaction, or funds movement that raises reasonable suspicion of being linked to criminal proceeds, money laundering, or terrorist financing. Upon identifying such activity, regulated entities must promptly file a SAR through the GoAML portal. This report must contain accurate and comprehensive details of the suspicious activity, including the parties involved, the nature of the transaction, and the reasons for suspicion.

The UAE Financial Intelligence Unit (FIU) utilizes GoAML to receive, analyze, and disseminate SARs. The FIU's role is crucial in identifying potential financial crimes, coordinating with law enforcement, and contributing to national and international efforts to combat illicit financial flows. Strict confidentiality is paramount throughout the SAR reporting process, and any disclosure of a pending or filed SAR to the involved parties is strictly prohibited.

Compliance with SAR reporting obligations is non-negotiable. Failure to report suspicious activities can result in severe penalties, underscoring the importance of robust AML/CFT programs and effective utilization of the GoAML platform. In essence, GoAML facilitates the timely and secure transmission of critical information, empowering the UAE to safeguard its financial system from illicit activities.

## High Risk Country Transaction

In the UAE, the goAML platform is instrumental in monitoring and reporting transactions involving high-risk countries, as part of the nation's comprehensive AML/CFT strategy. Transactions with entities or individuals from jurisdictions identified as high-risk by the Financial Action Task Force (FATF) or other relevant international bodies necessitate heightened scrutiny and reporting.

Regulated entities utilizing goAML are required to implement enhanced due diligence (EDD) measures for transactions involving these high-risk countries. This includes thorough verification of the parties involved, the source and destination of funds, and the purpose of the transaction. If, following EDD, a transaction is deemed suspicious or poses an elevated risk of money laundering or terrorist financing, a Suspicious Activity Report (SAR) must be filed through goAML.



The SAR submitted via goAML must clearly identify the high-risk country involved, the nature of the transaction, the parties associated with it, and the specific reasons for suspicion. This provides the UAE Financial Intelligence Unit (FIU) with critical information to assess and mitigate potential threats. The FIU then analyses these reports to identify patterns and trends related to high-risk jurisdictions, and takes appropriate action.

The reporting of high-risk country transactions through goAML is essential for safeguarding the UAE's financial system from illicit flows originating from or destined for these jurisdictions. It enables the FIU to collaborate effectively with international partners in combating transnational financial crime. Strict adherence to reporting requirements and robust EDD practices are crucial for regulated entities to maintain compliance and contribute to the integrity of the UAE's financial sector.

### **Dealers in Precious Metal and Stones Report (DPMSR)**

GoAML platform is a critical tool for monitoring and reporting transactions by Dealers in Precious Metals and Stones (DPMS), a sector recognized as vulnerable to money laundering and terrorist financing. Promise Gold is obligated to report specific transactions and suspicious activities through goAML to ensure compliance with AML/CFT regulations.

Transactions that needs to be reported in GO AML are as follows

- **Cash Transaction:**  
Any cash-based transactions which exceeds more than AED 55,000/- in a period of 365 days.
- **Domestic Transaction in Foreign Currency:**  
Any foreign currency transaction conducted locally with in UAE with two different banks needs to be report in GO AML .
- **Cross-Border Transactions:**  
Transfers involving foreign countries, particularly those considered high-risk, need to be reported.

### **Partial Name Match Report (PNMR)**

Partial Name Match Report (PNMR) in the UAE's goAML system is a crucial reporting mechanism used to address situations where a customer's name partially matches entries on sanctions lists, watchlists, or Politically Exposed Persons (PEP) lists. It acknowledges that while a definitive match cannot be established, there's enough similarity to warrant further investigation.

- When a partial match is detected during screening processes, regulated entities must file a PNMR through the goAML platform.
- The report should include detailed information about the customer, the nature of the partial match, and the reasons for suspicion.
- It is vital to include the percentage of the match, and the information that was used to create the match.





## **Fund Freeze Report (FFR)**

The Fund Freeze Report (FFR) in the UAE's goAML system is a critical mechanism for regulated entities to report actions taken in compliance with financial sanctions imposed by the United Nations Security Council (UNSC) or the UAE government. It serves as a vital component of the country's AML/CFT framework, specifically addressing terrorist financing and proliferation financing.

- The FFR is used to report the freezing of funds or other assets belonging to individuals or entities designated on sanctions lists.
- It ensures swift and effective implementation of financial sanctions, preventing the flow of funds to designated parties.
- It is a direct response to legal obligations to freeze assets.
- Regulated entities must immediately freeze the assets of designated individuals or entities upon identification.
- Following the asset freeze, they are obligated to file an FFR through the goAML platform.
- The report must include detailed information about the frozen assets, the designated individual or entity, and the legal basis for the freeze.



## RISK RATING AND WEIGHTAGE INDICATOR

Risk Rating Weightage		
Country Wide Risk Geographical Risk Assessment	Rate	Score
AML Risk Grade	15	
Supply Chain Risk Grade	15	
		<b>30</b>
Customer/Supplier Risk Review Assessment		
CDD -Entity Based Risk	10	
CDD-Shareholder Based Risk	10	
		<b>20</b>
Transactional Risk Review Assessment		
Bank TT-Risk	10	
Cash Intensively	10	
		<b>20</b>
Screening Based Risk Assessment		
Sanction Screening	5	
PEP Screening	5	
Adverse Media Screening	5	
UAE-UN Sanction Watchlist	5	
		<b>20</b>
Product Based Risk Grading		
Type of Gold	5	
Mode of Transport of Gold	5	
		<b>10</b>
<b>Total</b>		<b>100</b>

Geographical Risk Rating Weightage Calculator			
SL No	Indicators/ Sub Indicator	Sub Weightage	Weightage
<b>1</b>	Money laundering/terrorist financing risks		<b>52.5</b>
<b>1.1</b>	FATF Uncooperative / AML Deficient	<b>20</b>	
<b>1.2</b>	FATF Compliance with 40+9 Rec	<b>15</b>	
<b>1.3</b>	US State ML Assessment	<b>7.5</b>	
<b>1.4</b>	US Secretary of State terrorism	<b>10</b>	
<b>2</b>	International sanctions		<b>15</b>
<b>3</b>	Corruption Risk		<b>7.5</b>
<b>4</b>	Global Initiative Criminality Index		<b>10</b>
<b>5</b>	Global Initiative Resilience Index		<b>5</b>
<b>6</b>	EU Tax Blacklist		<b>5</b>
<b>7</b>	Offshore Finance Centre		<b>5</b>
	<b>Total</b>		<b>100</b>



Risk Rating Score		
SL No	Score	Risk Rated
1	100-70	Low Risk
2	69-60	Medium Risk
3	59-40	High Risk
4	Special Notice	Prohibited

### Customer-Based Risk Rating

Customer-Based Risk Approach Adhered to by Promise Gold				
Account Opening Forms	Entity -CDD Documents	Shareholders -CDD Documents	Nature of Business	Length of Business
Yes- Low Risk	Yes- Low Risk	Yes- Low Risk	Same Line – Low Risk	1 Year &above -Low Risk
Incomplete- Medium Risk	Incomplete-Medium Risk	Incomplete-Medium Risk	Related -Medium Risk	Less than 1 Year to 6 months- Medium Risk
No - High Risk	No - High Risk	No - High Risk	Variant - High Risk	Less than 6 Months- High Risk

### Transactional-Based Risk Rating

Frequency of Transaction	Volume of Transaction	Cash Intensively	Bank TT
10-50 - Low Risk	<25 Million- Low Risk	No Cash- Low Risk	100% Bank- Low Risk
50-100 -Medium Risk	25-100 Million - Medium Risk	<5%- Medium Risk	95% Bank Transfer- Medium Risk
100& Above - High Risk	>100 Million- High Risk	>5%- High Risk	<95% Bank Transfer- High Risk
	Unusually High Transaction- Prohibited	100% Cash- Prohibited	0% Bank - Hawala - Prohibited

### Screening Based Risk Rating

Sanction Screening	Adverse Media Screening	PEP- Screening	UN -UA EWatch List
No Hit- Low Risk	No Hit- Low Risk	No Hit- Low Risk	No Hit- Low Risk
False Positive- Medium Risk	False Positive- Medium Risk	False Positive- Medium Risk	False Positive- Medium Risk
Potential Match- High Risk	Potential Match- High Risk	Potential Match- High Risk	Potential Match- High Risk
True Match- Prohibited	True Match- Prohibited	True Match- Prohibited	True Match- Prohibited



### AML CTF BASED RISK RATING

AML Policy	Sanctions	GO AML Status
Implementation Evidence Provided- Low Risk	Implementation Evidence Provided- Low Risk	Implementation Evidence Provided- Low Risk
Policy Provided- Medium Risk	Policy Provided- Medium Risk	Declaration Provided- Medium Risk
Incoherent - High Risk	Incoherent - High Risk	Incoherent - High Risk
Faliure to provide - Prohibited	Faliure to provide - Prohibited	Not Applicable as not in UAE

### SUPPLY CHAIN BASED RISK RATING

Origin of Gold	Type of Gold	Mode of Transportation of Gold
Locally Sourced Bullion Bars and Scrap Bars-Low Risk	Bullion Bars-Low Risk	Secured Logistic Partner-Low Risk
Internataionaly Sourced Scrap bars/ Bullion Bars- Medium Risk	Scrap Bars- Medium Risk	Well Established Authorized Person -Air Cargo- Medium Risk
Mined Gold Bars /Scrap Bars from Non CAHRA Countries- High Risk	Mined Bars- High Risk	Hand Carry by Authorised Personels by Airways -High Risk
Mined Gold Bars from CAHRA Countries-Prohibited	Gold Dust/ Powder- Prohibited	Unauthorized Personal /Private

### GEOGRAPHICAL RISK RATING

AML Implementation	On Going- Conflict	Imposition of Sanctions	Presence of terror Org	Bribery
Low Risk	Low Risk	Low Risk	Low Risk	Low Risk
Medium Risk	Medium Risk	Medium Risk	Medium Risk	Medium Risk
High Risk	High Risk	High Risk	High Risk	High Risk
Prohibited	Prohibited	Prohibited	Prohibited	Prohibited

### Risk Calculator

Impact Analysis Score					Inherent Risk Calculation				
Financial Impact	Reputation Impact				Impact of Risk	Probability of Occurrence			
		1-Low	2-Medium	3-High			1-Low	2-Medium	3-High
	1-Low	Low	Low	Medium		1-Low	Low	Low	Medium
	2-Medium	Low	Medium	High		2-Medium	Low	Medium	High
	3- High	Medium	High	High		3- High	Medium	High	High



## CONTROLS IMPLEMENTED

Controls Implemented to Mitigate Risk Factors arising in Business			
Control Factor		List of Documents and Tools	Assessment of Controls
Customer Controls to Mitigate Risk Factors	KYC Documents	Trade Licence	Nature of Business, Length of Business, Country of Incorporation
		MOA	Nature of Business- Controlling and Voting Rights- Number of Shareholder and Shareholding %
		CDD Policy and Implementation	Implement Policy and Procedure
		TRN/VAT/TIN	Verify if the Company is paying Taxes in Country of Incorporation
		Tenancy Contract of Company	To identify if the company is just a shell and core company- Identify the business Location
		ID of Shareholder UBO- Passport-National ID- Visa	To Identify if the share holder are legal individual- To verify Nationality, Place of Birth- Date of Birth
	Customer/ Supplier Screening	PEP or Associated PEP Screening	To verify if the Customer / Supplier and their stakeholders have Pep or Associated PEP Concern
		Sancation Screening	To verify if the Customer / Supplier and their stakeholders have Sancation Concerns
		Terrorist List / Financing Screening	To verify if the Customer / Supplier and their stakeholders have Terrorist List / Financing Concern
		Adverse Media Information Screening	To verify if the Customer / Supplier and their stakeholders have Adverse Media Information Concern
	Customer Due Diligence	Standard Due Diligence	Will be conducted on Low Risk Customers /Suppliers
		Enhanced Due Diligence	Will be conducted on Medium and High-Risk Customers/ Suppliers
	Site Visit Review	Site Visit Report Customer	Will be conducted to identify the location of company, process followed -Number of Employes- Websites -Desk Research
		Site Visit Report Supplier Local	Will be conducted to identify the location of company, process followed -Number of Employees-Website -Desk Research
		Site Visit Report Supplier International Low Risk	Will be conducted to identify the location of company, Policy followed (AML-Human Rights- Environment) -Number of Employees-Website - Desk Research
		Site Visit Report Supplier International High Risk	Will be conducted to identify the location of company, Policy followed (AML-Human Rights- Environment) -Number of Employees-Website - Desk Research -Pictures- Video - Transit Declaration
Geo Risk controls	Country wise Risk Review	AML Geographic Risk Review	Know your Country and FATF Risk Rating (AML Concerns and Sancation Concerns )



		Supply Chain Geographical Risk Review	List of Countries in CAHRA (Risk Associated with Supply Chain and On Going Conflicts)
<b>Products Risk Controls</b>	<b>Product Description</b>	Declaration of Origin of Gold	To verify the Origin of Gold
	<b>Customs Documents</b>	Customs Clearance Documents	To verify If the gold was purchased legally and imported/ exported Legally
	<b>Quality of Gold</b>	Packing List	To verify the quantity of Gold Purity and Dimension form of the Gold
<b>Transaction Risk Controls</b>	<b>GO AML Review</b>	Go -AML Reporting	Report all Cash Transaction above AED 55,000/- Reporting all International Bank Transfers/ Reporting all Foreign Currency Transaction even Local bank Transfers
	<b>Monitoring Transactions</b>	Reviewing all transaction based on Customer/ Supplier Risk Category	Ensuring Transaction are reviewed based on Risk Category- Low Risk 25%- Medium Risk-40% and High Risk-60%.
	<b>Transaction Doc Review</b>	Invoices and Receipts Review	Review and Confirming if all the documents are collected and Reviewed
	<b>SAR/STR Policy Implementation</b>	Company Policy to be implemented	Ensuring No Cash Transaction is Conducted / No Virtual Currency / No Third-party Transfers
<b>Delivery Risk Controls</b>	<b>Transit Documents</b>	AWB, Packing List, Certificate of Origin	Ensuing Supplier's Documentation are collected
	<b>Supply Chain Policy Implementation</b>	Company Responsible Sourcing Policy to be implementation	Ensure OECD -DMCC Responsible Sourcing Policy has been implemented through company



## ENHANCED DUE DILIGENCE FORMAT

Customer Onboarding Review	
Company Details	
Company Name	
TL Number	
Date of Incorporation	
Date of Expiry	
No Of years in Business	
Country of Incorporation	
MOA/AOA	
Nature of Business	
TRN Number Identified	
Value of Expected Transaction	
Source of Funds of Company	
Method of Payment	
UBO Identified and verified	
Website Details	
Screening Status	
PEP Association	
SHARE HOLDER DETAILS	
Share Holder 1	
Name of Shareholder	
KYC of Shareholder	
Nationality SH	
Residency Status / Country	
Share % in Company	
Screening Status	
Share Holder 2	
Name of Shareholder	
KYC of Shareholder	
Nationality SH	
Residency Status / Country	
Share % in Company	
Screening Status	
Share Holder 3	
Name of Shareholder 3	



KYC of Shareholder	
Nationality SH	
Residency Status / Country	
Share % in Company	
Screening Status	
<b>RESPONSIBLE SUPPLY CHAIN PROGRAME REVIEW</b>	
Conformance to OECD Rules	
Origin of Gold Declared	
Responsible Supply Chain Policy	
Logistics of Precious Metals	
Precious Metal Trading Agreement	
Anti-Bribery Policy	
Type of Gold Declared	
<b>Risk Review Screening</b>	
<b>Risk Review Screening Company</b>	
PEP Screening	
Sanction Screening	
Adverse Media Screening	
AML Programme Review	
Supply Chain Policy	
OECD Country Risk Rating	
Know Your Country Review	
<b>Risk Review Screening Shareholders</b>	
PEP Screening	
Sanction Screening	
Adverse Media Screening	
AML Review	
World Check Screening	
OECD Country Risk Rating	
Know Your Country Review	
<b>Documentation Status</b>	
PEP Declaration	
AML Policy of Company	
Sanction Declaration	
Conformance to Non-Conflict	
Account Opening Form	





UBO KYC	
Company KYC	
<b>Additional Miners and Exporters Documentation (Only for International Suppliers)</b>	
Mine License Number	
Gold Export License Copy	
Mining Policy	
Exploration License/Permit	
Origin of Gold Declaration	
<b>Feed Back of Review</b>	
<b>List of Missing Documents</b>	
<b>Findings and Recommendation of Compliance Officer</b>	
<b>COMPLIANCE HEAD REMARKS</b>	

Details	Names	Signature
Prepared by		
Approved by		
Date		
Place		



## Standard Due Diligence Format and Risk Grading

Name of Entity:		
Length of Business	<b>Risk Factor</b>	<b>Risk Grade</b>
	Up to 1 year	Medium Risk
	1 year and above	Low Risk
Date of Expiry	<b>Risk Factor</b>	<b>Risk Grade</b>
	Unwilling to give Documents	High Risk
	Expired Documents	Medium Risk
	Valid Documents	Low Risk
Nature of Business Matching with Profile	<b>Risk Factor</b>	<b>Risk Grade</b>
	No	High Risk
	Yes	Low Risk
Country of Registration	To be Identified from the Account Opening Form	
Risk Rating of the Country of Incorporation	Based on the Know Your Country Risk Rating and FATF Rating – Classification would be based on Low Risk, Medium Risk and High Risk – Risk Grading methodologies are explained in the AML Policy. <a href="https://www.knowyourcountry.com/methodologies-sources">https://www.knowyourcountry.com/methodologies-sources</a>	
Type of Company Establishment	To be identified via Trade License	
	<b>Risk Factor</b>	<b>Risk Grade</b>
	LLC- UAE	Low Risk
	FZE- UAE	Low Risk
	Foreign Company	Medium Risk
Licensing Authority	To be Identified from the Account Opening Form	
Ownership Structure Break Up how many Shareholders less than 25% with KYC documents	To be identified via Trade License and MOA	
	<b>Risk Factor</b>	<b>Risk Grade</b>
	With KYC Document	Low Risk
	Majority of Shareholder > 25% without KYC	Medium Risk
	Shareholders Without documents	High Risk
TRN Number Identified	<b>Risk Factor</b>	<b>Risk Grade</b>
	No	High Risk
	Yes	Low Risk
Shareholders Identified via Proper KYC documents	<b>Risk Factor</b>	<b>Risk Grade</b>
	No	High Risk



	Yes	Low Risk	
<b>Shareholders nationality Risk Factor</b>	Based on the Know Your Country Risk Rating and FATF Rating – Classification would be based on Low Risk, Medium Risk and High Risk – Risk Grading methodologies are explained on the AML Policy <a href="https://www.knowyourcountry.com/methodologies-sources">https://www.knowyourcountry.com/methodologies-sources</a>		
<b>Source of Funds Identified</b>	To be Identified from Account Opening Form and Audited Financial Statement / Bank Statement		
<b>PEP Factor Identified for Shareholders</b>	To be Identified from Account Opening Form and Conducting world Check		
<b>Declaration of Not Sourcing from High-Risk Country</b>	To be Identified from Account Opening Form and Document Collection		
<b>Implementation of Go AML UAE</b>	To be Identified from Account Opening Form		
<b>Implementation of AML Policy</b>	To be Identified from Account Opening Form and Collecting of Policy		
<b>Implementation of UAE Cabinet issued Resolution (74) of 2020?</b>	To be Identified from Account Opening Form		
<b>Responsible for Sourcing of Precious Metal</b>	To be Identified from the Account Opening Form and Collection of Policy		
<b>Complete Account Opening Forms</b>	To be Identified from the Account Opening Form		
<b>Review Final Rating</b>			

Details	Names	Signature
Prepared by		
Approved by		
Date		
Place		






## Policy Approval and Sign-Off

This Risk Assessment Policy has been reviewed and approved by the undersigned officials of Promise Gold Refinery FZC, in accordance with the applicable UAE Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) laws and Ministerial Decree No. (68) of 2024 on Responsible Sourcing of Gold.

The policy forms an integral part of the Company's AML/CFT Framework and Enterprise-Wide Risk Assessment (EWRA) structure. It establishes the principles, methodologies, and governance processes for identifying, assessing, mitigating, and monitoring risks related to money laundering, terrorist financing, and proliferation financing across all operational activities, counterparties, and supply chains.

### Approved by

Name / Designation	Signature
<b>James Mohan Chandran</b> Compliance Officer	
<b>Vipin Raj</b> Managing Director	



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