



PROMISE GOLD REFINERY (FZC)

Due Diligence – Risk Based Assessment

PGR/DDRBA/2023/REV001





Introduction:

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 while 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. 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.

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 tools that employees of Promise Gold Refinery should use 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.



ONBOARDING PROCESS

Promise Gold Refinery FZC, potential customers and suppliers who wish to commence any business relationship with Promise Gold Refinery Jewellery, 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 <https://Promise Gold Refinery gold.com/> 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.

Basic List of Documents to be Submitted by Potential Customers and Suppliers	
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 Refinery Account Opening Form
10.	Duly Filled and Signed Promise Gold Refinery Gold Declaration Form
11.	Duly Filled and Signed Promise Gold Refinery Statement of conformance of recycled gold origin
12.	Duly Filled and Signed Promise Gold Refinery PEP Declaration Form
13.	Duly Filled and Signed Promise Gold Refinery Source of Fund and Wealth Form
14.	Duly Filled and Signed Promise Gold Refinery 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 as 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 Refinery 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 Refinery 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 Refinery 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 Refinery to understand the potential customer-supplier source of funds, this is declaration will be collected and reviewed,



against the Customer- Supplier documents Promise Gold Refinery will be able to understand the Risk associated with onboarding of the customer and Suppliers.

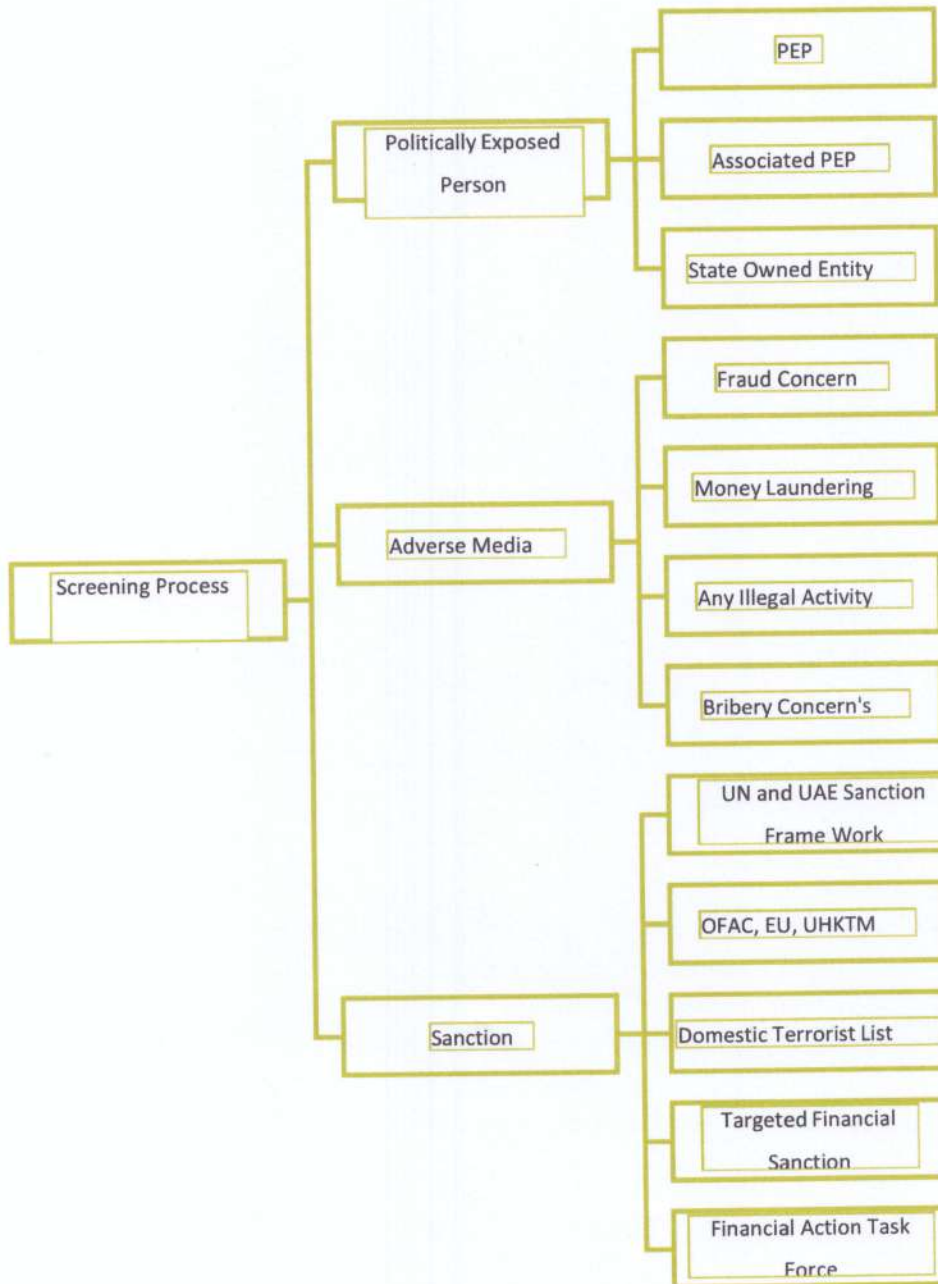




PROMISE GOLD REFINERY FZC SCREENING PROCESS

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

The Screening process followed by Promise Gold Refinery 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 moneylaundering and/or terrorist financing because of the position they hold.

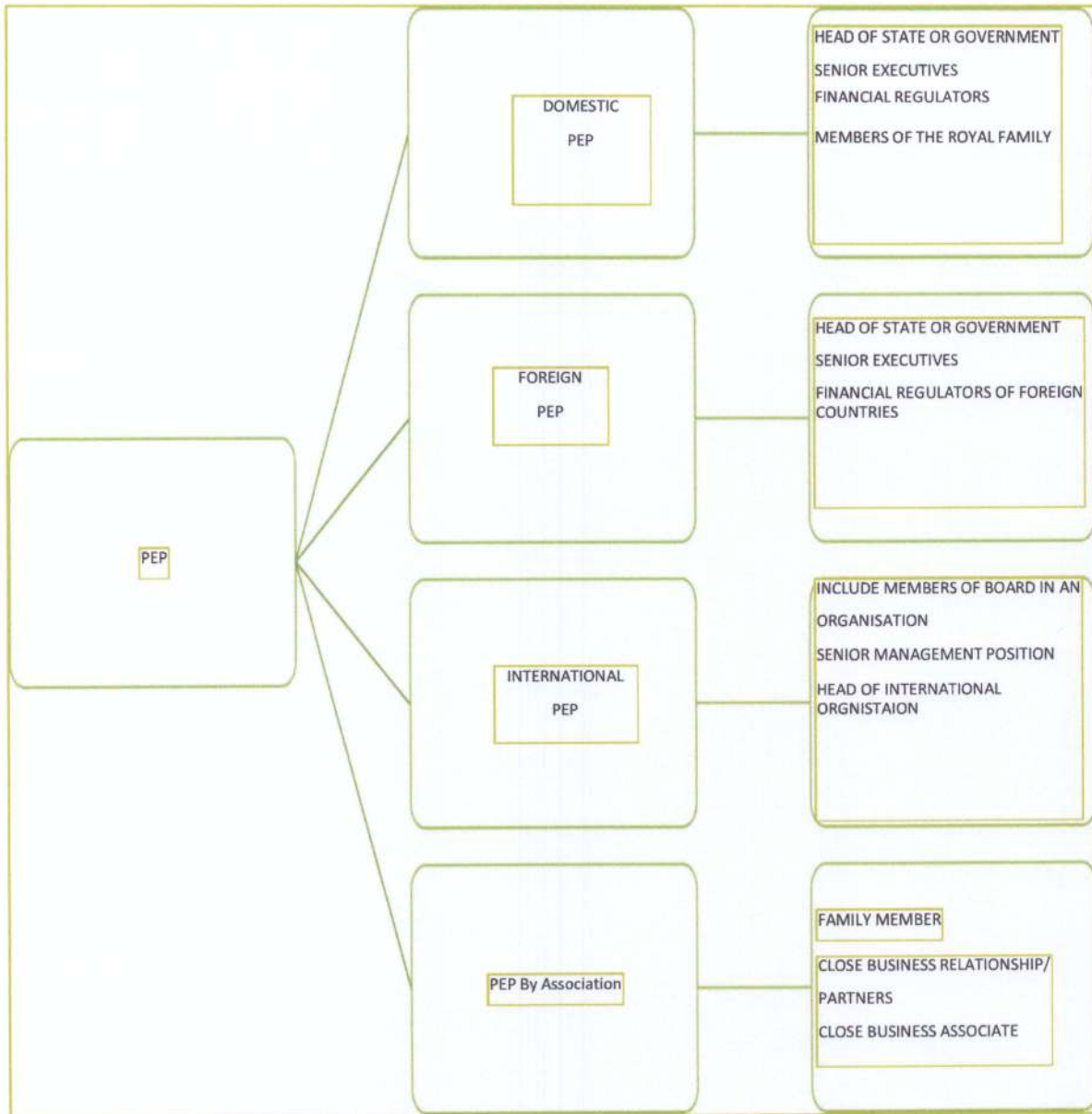
PEP is defined as high-risk customers who have greater opportunities than ordinary citizens to acquire assets through illegal means such as taking bribes and money laundering. PEPs must be identified and screened in financial institutions because of the risks they have.

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.





RISK CLASSIFICATION FACTOR

High Risk – Level 1 PEPs

- Heads of state and government
- Members of government (national and regional)
- Members of Parliament (national and regional)
- Heads of military, judiciary, law enforcement and board of central banks
- Top ranking officials of political parties

Medium Risk – Level 2 PEPs

- Senior officials of the military, judiciary, and law enforcement agencies
- Senior officials of other state agencies and bodies and high ranking civil servants
- Senior members of religious groups
- Ambassadors, consuls, high commissioners

Medium Risk – Level 3 PEPs

- Senior management and board of directors of state owned businesses and organisations

Low Risk – Level 4 PEPs

- Mayors and members of local, country, city and district assemblies
- Senior officials and functionaries of international or supranational organisations

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 Refinery :

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 Refinery 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 <i>As per Cabinet Resolution 74 2020</i>			Intrnl. Sanctions Regime
Targeted Financial Sanctions <i>As per FATF Recommendations</i>		Other UN Sanctions Regime	<ul style="list-style-type: none"> • OFAC • EU • HMT • etc <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"> • Somali - UNSCR 1844 • Iraq - UNSCR 1483 • Congo - UNSCR 1596 & UNSCR 1807 • Libya - UNSCR 1970 • Central African Republic - UNSCR 2127 • Yemen - UNSCR 2140 • South Sudan - UNSCR 2206 • Mali - UNSCR 2374 • Beirut terrorist bombing - UNSCR 1636 & UNSCR 1701 • Any other UN Sanction Regime 	
<ul style="list-style-type: none"> • ISIS & Al-Qaida UNSCR 1267, 1989 • The Taliban UNSCR 1988 • UAE Local Terrorist List UNSCR 1373 <p>FATF RECOMMENDATION 6 FATF IMMEDIATE OUTCOME 10</p>	<ul style="list-style-type: none"> • Democratic People's Republic of Korea (DPRK) UNSCR 1718 (2006) • Islamic Republic of Iran UNSCR 2231 (2015) <p>FATF RECOMMENDATION 7 FATF IMMEDIATE OUTCOME 11</p>		



Promise Gold Refinery has abided by the Regulatory Obligation by Implementing the

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

Below

Sanction Screening Policy of Promise Gold Refinery:

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

Since Promise Gold Refinery 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 Refinery 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"> • Name • Aliases • Date of birth • Nationality • ID or passport information • Last known residency 	<ul style="list-style-type: none"> • Name (s) • Aliases • Address of registration • Address of branches • Other information



Screening Parameters



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



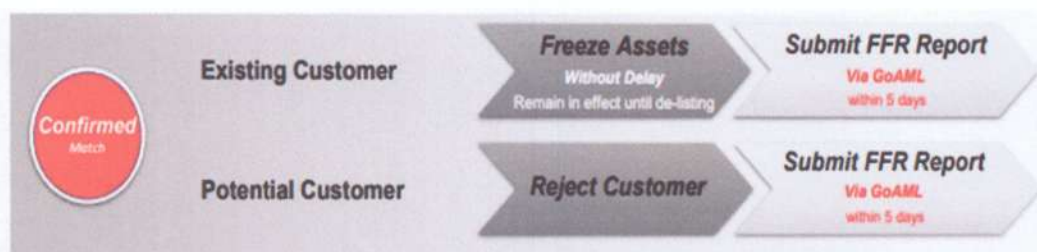
A **"Potential Match"** is when there is any match between data in the Sanctions Lists with any information in your databases.



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

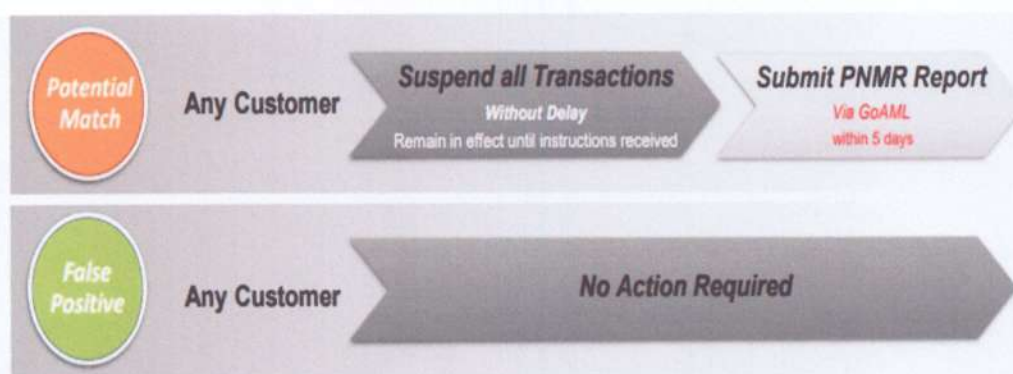


Sanction Implementation



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 Refinery

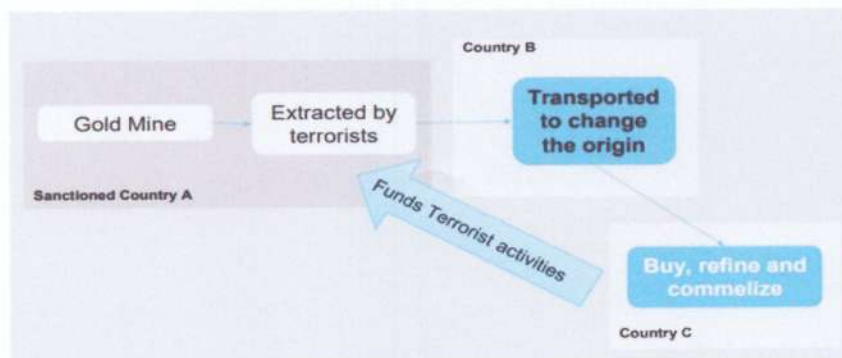
Promise Gold Refinery has placed internal controls to ensure compliance with the most recent publication of targeted financial sanctions of the UNSC Consolidated lists and the Local Lists.

Promise Gold Refinery 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 Jewellery 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 Refinery to have a better understanding of whom they are doing business with and the risks to which an FI is exposed.

Risk-Based Approach and Negative News Screening

Promise Gold Refinery 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 Refinery 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 Refinery operates.

Promise Gold Refinery 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 FIs 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 Refinery to have a better understanding of who they are doing business with and the risks to which a Promise Gold Refinery is exposed.

Promise Gold Refinery 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, FIs 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 FI 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 Refinery CDD/EDD process and technology should determine who should be screened (e.g., customers, UBOs, related parties or non-customers).
- **Frequency:** an Promise Gold Refinery 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 Refinery 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 Refinery 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 FIs 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"> ▪ Name ▪ Aliases ▪ Date of birth ▪ Nationality ▪ ID or passport information ▪ Last known residency 	<ul style="list-style-type: none"> ▪ Name (s) ▪ Aliases ▪ Address of registration ▪ Address of branches ▪ Other information

Risk Screening Classification

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



CUSTOMER RISK CLASSIFICATION:

At Promise Gold Refinery FZE, maintaining robust risk management practices is essential to safeguarding the integrity of our operations. As part of our commitment to compliance with international standards and regulations, we implement a comprehensive counterparty risk assessment framework. This framework classifies counterparties into three risk categories:

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

1. 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 the Promise Gold Refinery . 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, we would conduct Re KYC Yearly Bases.



2. 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 Refinery
- 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 re-reviewed on a Annual Bases.



3. 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 Refinery 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 Bi Annually 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.



RE-REVIEW OF KYC POLICY

As per the policy the compliance team will conduct Re-Review of the customer and supplier based on the risk Categorization.

Risk Classification	Re Review Duration	Site Visit	Due Diligence Requirement
Low Risk	Annually Review	Yes	Standard Due Diligence
Medium Risk	Annually Review	Yes	Standard Due Diligence
High Risk	Bi Annually	Yes	Enhanced Due Diligence

As part of KYC Policy Re Review the following details should be collected and reviewed:

1. Ensure that there is no Change in ownership Structure
2. No Change in business Activity or addition of business Activity
3. No Change is location of business
4. No change in country of sourcing of metal.
5. Ensure that the Trade License and other Legal Entity documents submitted are valid.
6. Ensure that the screening of Entity and Shareholders are conducted.
7. Conduct desktop research on the counterparties periodically.
8. Conduct Risk Assessment on the counterparties



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	
		30
Customer/Supplier Risk Review Assessment		
CDD -Entity Based Risk	10	
CDD-Shareholder Based Risk	10	
		20
Transactional Risk Review Assessment		
Bank TT-Risk	10	
Cash Intensively	10	
		20
Screening Based Risk Assessment		
Sanction Screening	5	
PEP Screening	5	
Adverse Media Screening	5	
UAE-UN Sanction Watchlist	5	
		20
Product Based Risk Grading		
Type of Gold	5	
Mode of Transport of Gold	5	
		10
Total		100

RISK RATING AND WEIGHTAGE INDICATOR

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



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 by Promise Gold Refinery				
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 - Prohbited	Faliure to provide - Prohbited	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
Internatationally 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-Prohbited	Gold Dust/ Powder- Prohbited	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
Prohbited	Prohbited	Prohbited	Prohbited	Prohbited

Risk Calculator

Impact Analysis Score				
Financial Impact	Reputation Impact			
		1-Low	2-Medium	3-High
	1-Low	Low	Low	Medium
	2-Medium	Low	Medium	High
3- High	Medium	High	High	

Inherent Risk Calculation				
Impact of Risk	Probability of Occurrence			
		1-Low	2-Medium	3-High
	1-Low	Low	Low	Medium
	2-Medium	Low	Medium	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 Employs- 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)
Products Risk Controls	Product Description	Declaration of Origin of Gold	To verify the Origin of Gold
	Customs Documents	Customs Clearance Documents	To verify If the gold was purchased legally and imported/ exported Legally
	Quality of Gold	Packing List	To verify the quantity of Gold Purity and Dimension form of the Gold
Transaction Risk Controls	GO AML Review	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
	Monitoring Transactions	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%.
	Transaction Doc Review	Invoices and Receipts Review	Review and Confirming if all the documents are collected and Reviewed
	SAR/STR Policy Implementation	Company Policy to be implemented	Ensuring No Cash Transaction is Conducted / No Virtual Currency / No Third-party Transfers
Delivery Risk Controls	Transit Documents	AWB, Packing List, Certificate of Origin	Ensuing Supplier's Documentation are collected
	Supply Chain Policy Implementation	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	
RESPONSIBLE SUPPLY CHAIN PROGRAMME REVIEW	
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	
Risk Review Screening	
Risk Review Screening Company	
PEP Screening	
Sanction Screening	
Adverse Media Screening	
AML Programme Review	
Supply Chain Policy	
OECD Country Risk Rating	
Know Your Country Review	
Risk Review Screening Shareholders	
PEP Screening	
Sanction Screening	
Adverse Media Screening	
AML Review	
World Check Screening	
OECD Country Risk Rating	
Know Your Country Review	
Documentation Status	
PEP Declaration	
AML Policy of Company	
Sanction Declaration	
Conformance to Non-Conflict	
Account Opening Form	



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

Details	Names	Signature
Prepared by		
Approved by		



Standard Due Diligence Format and Risk Grading

Name of Entity:		
Length of Business	Risk Factor	Risk Grade
	Up to 1 year	Medium Risk
	1 year and above	Low Risk
Date of Expiry	Risk Factor	Risk Grade
	Unwilling to give Documents	High Risk
	Expired Documents	Medium Risk
	Valid Documents	Low Risk
Nature of Business Matching with Profile	Risk Factor	Risk Grade
	No	High Risk
	Yes	Low Risk
Country of Registration	<i>To be Identified from the Account Opening Form</i>	
Risk Rating of the Country of Incorporation	<i>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. .https://www.knowyourcountry.com/methodologies-sources</i>	
Type of Company Establishment	<i>To be identified via Trade License</i>	
	Risk Factor	Risk Grade
	LLC- UAE	Low Risk
	FZE- UAE	Low Risk
Foreign Company	Medium Risk	
Licensing Authority	<i>To be Identified from the Account Opening Form</i>	
Ownership Structure Break Up how many Shareholders less than 25% with KYC documents	<i>To be identified via Trade License and MOA</i>	
	Risk Factor	Risk Grade
	With KYC Document	Low Risk
	Majority of Shareholder > 25% without KYC	Medium Risk
Shareholders Without documents	High Risk	
TRN Number Identified	Risk Factor	Risk Grade
	No	High Risk
	Yes	Low Risk



Shareholders Identified via Proper KYC documents	Risk Factor	Risk Grade
	No	High Risk
	Yes	Low Risk
Shareholders nationality Risk Factor	<i>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</i> https://www.knowyourcountry.com/methodologies-sources	
Source of Funds Identified	<i>To be Identified from Account Opening Form and Audited Financial Statement / Bank Statement</i>	
PEP Factor Identified for Shareholders	<i>To be Identified from Account Opening Form and Conducting world Check</i>	
Declaration of Not Sourcing from High-Risk Country	<i>To be Identified from Account Opening Form and Document Collection</i>	
Implementation of Go AML UAE	<i>To be Identified from Account Opening Form</i>	
Implementation of AML Policy	<i>To be Identified from Account Opening Form and Collecting of Policy</i>	
Implementation of UAE Cabinet issued Resolution (74) of 2020?	<i>To be Identified from Account Opening Form</i>	
Responsible for Sourcing of Precious Metal	<i>To be Identified from the Account Opening Form and Collection of Policy</i>	
Complete Account Opening Forms	<i>To be Identified from the Account Opening Form</i>	
Review Final Rating		

Prepared and Submitted By: Mohammad Trahum Nawaz Shamsi
 Designation : Compliance Officer

Signature :

Approved By: Vipin Raj Selva Raj
 Designation: CEO/MD

Signature :

