



FOREWORD

It is the policy of AURIZ GOLD REFINERY (FZC) to conduct its business in an honest and ethical manner. AURIZ GOLD REFINERY (FZC) adheres to best practices with respect to Anti Money Laundering & Combating Financing of Terrorism Policy, and therefore it has a ZERO tolerance policy for Anti Money Laundering & Combating Financing of Terrorism done by employees, officers, directors, agents, consultants and contractors of AURIZ GOLD REFINERY (FZC)

The purpose of this policy is to provide AURIZ GOLD REFINERY (FZC) specific guidance for our organization on their legal obligations for measures to deter and detect money laundering and financing of terrorism activities. Because AML/CFT obligations are contained in several laws, amendments and regulations and as such laws, rules and regulations may have extra-territorial application, AURIZ GOLD REFINERY (FZC) and its employees and associated persons will be bound by the most stringent of these requirements in respect of its and their conduct in all jurisdictions where they may operate, even if such conduct might otherwise be permitted by the local law of a particular jurisdiction.

AURIZ GOLD REFINERY (FZC) will take all appropriate action under this Policy to ensure compliance with this Policy and applicable laws, rules and regulations, which may include disciplinary action, like reporting of violations of laws, rules and regulations to appropriate regulatory authorities. AURIZ GOLD REFINERY (FZC) is committed to continual improvement and this document represents our first step towards establishing, implementing and maintaining a robust Anti Money Laundering & Combating Financing of Terrorism (“AML & CFT”) management system.



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1 OVERVIEW

1.1 INTRODUCTION

Money laundering, terrorism financing, and proliferation financing have significant and far-reaching consequences for a country's financial system and economy. As these crimes increasingly transcend national borders, jurisdictions must ensure they are equipped to safeguard the integrity of their financial systems and effectively address any abuses that arise.

To achieve this, a solid and comprehensive legal framework is essential, one that empowers our company and clearly defines the obligations of all involved parties.

Equally important is fostering an open and collaborative relationship between AML/CFT supervisors and the regulated reporting entities. Additionally, it is crucial that the sectors we regulate understand their responsibilities and accept their role in the collective effort to combat money laundering (ML) and terrorism financing (TF).

In this context, the Financial Intelligence Unit (FIU), as the AML/CFT regulator for the jewellery sector, strongly believes that one of the most effective ways to combat ML and TF is through the implementation of robust controls, policies, and procedures by dealers.

The purpose of these guidelines is to assist our sector in developing strong compliance systems and to position our company as a committed partner in the fight against ML and TF. These guidelines also aim to support our company in fully understanding its AML/CFT obligations.

1.2 BASIC PRINCIPLES

The following principles apply to the Anti-Money Laundering and Combating the Financing of Terrorism (AML & CFT) Policy of AURIZ GOLD REFINERY (FZC):

- a) AURIZ GOLD REFINERY (FZC) is committed to conducting all its business activities in a transparent, ethical, and honest manner. We take a strict zero-tolerance stance on money laundering and the financing of terrorism, and we are fully dedicated to acting professionally, fairly, and with integrity in all of our business operations and relationships.
- b) We aim to partner with businesses that share our zero-tolerance approach to Anti-Money Laundering and Combating the Financing of Terrorism (AML & CFT).
- c) We adhere to the laws of the United Arab Emirates, both domestically and internationally, and businesses dealing with gold, silver, and other precious metals are required to comply with the UAE's Anti-Money Laundering and Combating the Financing of Terrorism (AML-CFT) regulations.
- d) Due to the high-risk nature of our industry, we will regularly conduct client due diligence, monitor large transactions, and implement a strong AML compliance framework within our organization to ensure adherence to AML regulations.
- e) Recognizing and mitigating risks can be challenging, but is necessary, and we may seek the expertise of AML consultants in Dubai to assist gold dealers in ensuring full compliance and avoiding potential penalties under UAE law.



1.3 PURPOSE & SCOPE

The purpose of this policy (the “Policy”) is to outline the responsibilities of AURIZ GOLD REFINERY (FZC) and its employees in upholding our commitment to preventing money laundering and the financing of terrorism (AML-CFT). In formulating this Policy, AURIZ GOLD REFINERY (FZC) has taken into account the requirements set forth in Cabinet Decision No. (10) of 2019, concerning the Implementing Regulation of Decree-Law No. (20) of 2018, and has aligned it with the AML/CFT obligations for Designated Non-Financial Businesses and Professions (DNFBPs). Additionally, it is in compliance with the Cabinet Decision for Responsible Sourcing of Precious Metals, as well as the LBMA (London Bullion Market Association) Responsible Sourcing and Good Delivery Rules.

This Policy is binding on all “Covered Persons,” which include (a) AURIZ GOLD REFINERY (FZC), (b) all majority-owned and controlled subsidiaries, affiliates, businesses, and entities, and (c) all actions taken by their employees and shareholders. It applies to all dealings and transactions in any country where AURIZ GOLD REFINERY (FZC) operates.

1.4 LEGAL STATUS

Under Article 44.11 of Cabinet Decision No. (10) of 2019, which relates to the Implementing Regulation of Decree Law No. (20) of 2018 on Anti-Money Laundering and Combating the Financing of Terrorism and Illegal Organizations, Supervisory Authorities are required to "provide financial institutions with guidelines and feedback to enhance the effectiveness of crime-fighting measures."

Therefore, these Guidelines are not intended to create new laws or regulations, nor do they establish legal, regulatory, or judicial precedents. Instead, they should be viewed in conjunction with the current laws, cabinet decisions, regulations, and regulatory rulings in force in the UAE and its Free Zones. Supervised institutions are reminded that these Guidelines do not replace or supersede any legal or regulatory requirements or statutory obligations. In the event of any conflict between these Guidelines and the prevailing legal or regulatory framework, the latter will take precedence.

Additionally, these Guidelines should not be interpreted as offering any assurance—either explicit or implicit—that Supervisory Authorities or other Competent Authorities will delay, waive, or refrain from enforcing, judicial, or punitive measures in the event of a breach of applicable laws, regulations, or regulatory rulings.

The Guidelines, including any lists or examples they contain, are not exhaustive and should not be seen as limiting the steps that supervised institutions must take to comply with their legal obligations under the current legal and regulatory framework.

Therefore, these Guidelines should not be regarded as legal advice or interpretation. Supervised institutions are encouraged to independently assess how they can fulfill their statutory obligations and seek legal or professional advice if they are uncertain about the application of the legal or regulatory framework to their specific circumstances.

1.5 DEFINITION & KEY TERMS

AURIZ GOLD REFINERY (FZC) defines Anti-Money Laundering and Combating the Financing of Terrorism (AML-CFT) as follows:

- a) The act of offering or receiving an improper reward to or from any public officeholder, private employee, colleague, or representative of another organization, with the intent to influence their actions in the course of their duties, prompting them to act in a manner that deviates from accepted standards of honesty and integrity.
- b) The misuse of public office or authority for personal gain, or the offering or promising of any form of value, whether directly or indirectly, to a public official, political candidate, party, or party official, in order to obtain, retain, or direct business, or secure an improper business advantage. This also includes the demand or acceptance of anything of value by such individuals as a condition for granting an improper business advantage, whether directly or indirectly.



1.6 MONEY LAUNDERING

Money Laundering is the process by which funds derived from criminal activity (“dirty money”) are given the appearance of having been legitimately obtained, through a series of transactions in which the funds are ‘cleaned’. Its purpose is to allow criminals to maintain control over those proceeds and, ultimately, provide a legitimate cover for the source of their income.

For money laundering to take place, first, there must have been the commission of a serious crime which resulted in benefits/gains (illegal funds) to the perpetrator. The perpetrator will then try to disguise the fact that the funds were generated from criminal activity through various processes and transactions which may also involve other individuals, businesses and companies.

There is no one single method of laundering money. Methods can range from the purchase and resale of a luxury item (e.g., cars or jewellery) to passing money through legitimate businesses and “shell” companies or as in the case of drug trafficking or other serious crimes. The proceeds usually take the form of cash which needs to enter the financial system by some means.

THE THREE STAGES OF MONEY LAUNDERING

- I. Placement:** Criminally derived funds are brought into the financial system. In the case of drug trafficking, and some other serious crimes, such as robbery, the proceeds usually take the form of cash which needs to enter the financial system. Examples of Placement are depositing cash into bank accounts or using cash to purchase assets. Techniques used include Structuring - breaking up a large deposit transaction into smaller cash deposits and Smurfing – using other persons to deposit cash.
- II. Layering:** This takes place after the funds have entered into the financial system. It involves the movement of the money. Funds may be shuttled through a web of multiple accounts, companies and countries in order to disguise their origins. The intention is to conceal, hide, and obscure the money trail in order to deceive the law enforcement and to make the paper trail very difficult to follow. The more layers there are, the harder it is to detect the origin of the funds.
- III. Integration:** The money comes back to criminals as apparently legitimate funds. The laundered funds are used for activities such as investment into real estate, luxury assets, and business ventures, to fund further criminal activity or spent to enhance the criminal's lifestyle. At this stage, the illegal money has achieved the appearance of legitimacy. Successful money laundering allows criminals to use and enjoy the income from the criminal activity without suspicion.