



## BUREAU VERITAS CERTIFICATION

Comprehensive Management Report for Limited Assurance  
review of DMCC Rules on Risk Based Due Diligence in the Gold and  
Precious Metals Supply Chain

For

### **Fujairah Gold FZC**

SITE(s): PO Box 3992, Free Zone II, Fujairah, UAE,

AUDIT DATE(s): 2<sup>rd</sup> April, 2018

Reporting Period : 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018

*Move Forward with Confidence*



**BUREAU  
VERITAS**



Independent  
Limited Assurance' Report to **Fujairah Gold FZC**

This report is made for the **Fujairah Gold FZC** for the purpose of a compliance report, in accordance with the terms of our engagement letter dated 21/04/2016.

### ***1. Responsibilities***

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 and with “DMCC Rules on Risk Based Due Diligence in the Gold and Precious Metals Supply Chain” issued by Dubai Multi Commodities Center and in accordance with the DMCC Review Protocol.

Our work has been undertaken so that we report to the **Fujairah Gold FZC** *to the engagement* on those matters that we have agreed to state to them in this report. Our tests are related to **Fujairah Gold FZC** as a whole rather than performed to meet the needs of any particular customer.

Our report must not be recited or referred to in whole or in part in any other document nor made available, copied or recited to any other party, in any circumstances, without our express prior written permission.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the **Fujairah Gold FZC** for our work, for this report or for the opinions we have formed.

### ***2. Subject matter***

This report covers the **Fujairah Gold FZC** general level of compliance with the “DMCC Rules on Risk Based Due Diligence in the Gold and Precious Metals Supply Chain” issued by Dubai Multi Commodities Centre and in accordance with the DMCC Review Protocol as described in your report as at **01/04/2018**.

### ***3. Scope based on 'Reasonable or Limited' assurance:***

The review procedures undertaken by us will cover the following:

- i. Review whether the **Fujairah Gold FZC** has established robust sustainable supply chain management systems as detailed in and referring to Rule 1 of the DMCC rules and fulfilling objectives of the review program as detailed in the DMCC review protocol.



*The Policy is well defined and robust, and the KYC requirements found adequate taking into consideration the application of Rule 1.1 to 1.19.*

ii. Review whether the **Fujairah Gold FZC** is able to identify and assess the risks in the supply chain as detailed in and referring to Rule 2 of the DMCC Rules and fulfilling objectives of the review program as detailed in the DMCC review protocol.

In respect of Rule 2, details as below verified:

(a) in relation to transactions:

*One active supplier dealt during 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018 and had 53 transactions, with this 5 customers had over 89 transactions of gold. Samples were picked from these suppliers and reviewed.*

(i) the number of transactions audited:

*Being there is only one supplier, samples are picked from the same.*

(ii) *the percentage of the audited transaction as compared to the total number of transactions during the period subject to Review:*

*Representative samples of 20% verified from the supplier from the total transactions.*

(iii) the sampling rules or methods used:

There is no mined gold. Total 53 shipments received from recyclable waste [anode slime].

Total quantity received as waste 573.64 MT from this recoverable gold 7830 kg, during the review period.

(iv) *the total volume of Mined Gold and / or precious metals and / or Recycled Gold and / or precious metals in relation to the transactions audited:*

None. FG does not receive any gold from mines.

(v) *the total volume of Mined Gold and / or precious metals and / or Recycled Gold and / or precious metals in relation to the total number of transactions during the period subject to review:*

None all the material received are in the form Anode Slime mud waste .FG do not receive any gold from mines.

(vi) the total volumes of cash transactions (if any) and its usage in excess of government thresholds as applicable in the Accredited Member's place of domicile:

None all payments are through Bank.



For suppliers - Each lot would be priced for its content and the payment shall be made by TT by FG as per the contract.

Each sales transaction is also traced with respect to Quantity, price & currency, based on the invoice. Customer do online bank transfer before the delivery of the product.

(vii) the total volumes of unrelated third party payments (i.e. cash, bank transfers and Metal accounts held with bullion banks) and physical gold and/or precious metal deliveries in unusual circumstances that are not consistent with local and/or International market practices (for example, value, quantity, quality, profit):

*This was verified and found none.*

(viii) adequacy and implementation of track and trace mechanism from mine/supplier to Sale and/or physical delivery to the Accredited Member's suppliers:

*This was verified, they were found adequate and satisfactory.*

(b) in relation to geographical considerations:

(i) Gold and/or precious metal sourced from different geographical locations based on Physical form; quantity; actual or declared purity; country of origin and transportation; and

(ii) any transaction which is related to a sanctioned and/or embargoed country, entity, Or individual;

FG do not source any gold, the major raw material for refinery is received from Group companies based in India.

(c) in relation to risk assessment, the alignment of the risk assessment methodology with Rule 2 and any deviations from those requirements of Rule 2:

*The risk assessment verified and found to be adequate.*

(d) the number of transactions and/or suppliers where enhanced due diligence was conducted during the period subject to Review.

*None as there were no situation that required for an enhanced due diligence.*

iii. Review whether the **Fujairah Gold FZC** has developed and implemented a risk mitigation and/or control plan as detailed in and referring to Rule 3 of the DMCC Rules and fulfilling objectives of the review program as detailed in the DMCC review protocol.

*In respect of Rule 3, the adequacy and implementation of the Risk Control Plan was verified and found adequate.*



iv. Reviewed whether the **Fujairah Gold FZC** is reporting annually on its measures implemented for responsible supply chain due diligence and that the measures being reported are consistent with the independent 3rd party audit review program findings as detailed in and referring to Rule 5 of the DMCC Rules and fulfilling objectives of the review program as detailed in the DMCC review protocol (Annex 3).

FG has reported the compliance report to the DMCC annually and also made it available in their portal. Verified and found the Independent reasonable assurance report and the FG compliance report for the year 2016 published in their website:

<http://www.fujairajhgold.com>

The compliance report for the limited assurance for the period 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018 will be published once made available to FG.

v. Reviewed the **Fujairah Gold FZC** activities related to conducting due diligence for adherence to DMCC's Review Protocol in Annex 3 and Policy as described in Rule 1.3. **Anti-Money Laundering and Combating Financing of Terrorism Policy (as the minimum acceptable standard for AML/CFT due diligence policy).**

FG has established AML/CFT and a robust due diligence Policy: Responsible gold supply chain–Due diligence policy ref.: FGP/DMCC/02 has been reviewed and revised on 1/2/2018, rev. 06, align with the DMCC Rules 2017.

The implementation of the same was found satisfactory.

#### ***4. Emphasis of matter (if required)***

**Not Applicable as there are no Non Compliances observed during this review**

Without our conclusion being modified, we refer to the non-compliance description contained in the **Fujairah Gold FZC** compliance report. This relates to the current implementation of specific due diligence procedures at **Fujairah Gold FZC** to be in conformance with “DMCC Rules on Risk Based Due Diligence in the Gold and Precious Metals Supply Chain” issued by Dubai Multi Commodities Center and DMCC's AML/CFT policies.



## 5. Conclusion

In our opinion, in all material respects:

- i. The accompanying report by the directors describes fairly the level of general compliance of **Fujairah Gold FZC** with “DMCC Rules on Risk Based Due Diligence in the Gold and Precious Metals Supply Chain” issued by Dubai Multi Commodities Center and in accordance with the DMCC Review Protocol for the period **1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018.**
- ii. The compliance controls that were tested, as set out in the attachment to this report, were operating with sufficient effectiveness for us to obtain Limited’ assurance that the related level of compliance was achieved in the period **1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018.**

**Bureau Veritas**  
**Location: Dubai**

**Date: 02/04/2018**

**Signature :**



**Company Stamp:**