



## **BUREAU VERITAS CERTIFICATION**

Reviewer's Assurance report for the Limited Assurance review  
of DMCC Rules on Risk Based Due Diligence in the Gold and Precious Metals  
Supply Chain- Version 1.1, 2017

For

**Fujairah Gold FZC**

**SITE(s): P O Box 3992, Free zone 2, Fujairah, UAE**

**AUDIT DATE(s): 17/05/2021 & 24/05/2021**

Reporting Period :1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021



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**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 **06/02/2019**.

***Independence and competency statement***

In conducting our engagement, we have complied with the applicable requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

In conducting our engagement, we confirm that we satisfy the criteria for assurance providers as set out in the Audit Guidance to carry out the assurance engagement.

***The assurance scope and level of assurance:***

We were engaged by [**Fujairah Gold FZC**] to provide limited assurance on its Refiner's Compliance Report for the Assessment Period [1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021].

The assurance scope consists of the Refiner's Compliance Report.

***Responsibilities***

The [directors/management] of [**Fujairah Gold FZC**] are responsible for the preparation and presentation of the Refiner's Compliance Report in accordance with the "DMCC Rules on Risk Based Due Diligence in the Gold and Precious Metals Supply Chain". This responsibility includes establishing appropriate risk management and internal controls from which the reported information is derived. The criteria identified by the [directors/management] as relevant for demonstrating compliance with the DMCC Rules are the activities described within the Refiner's Compliance Report.

Our responsibility is to carry out a limited assurance engagement in order to express a conclusion based on the work performed. We conducted our assurance engagement in accordance with International Standard on Assurance Engagements ISAE 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board and with "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.

The extent of evidence-gathering procedures performed in a limited assurance engagement is less than that for a reasonable assurance engagement, and therefore a lower level of assurance is provided.

This report has been prepared for [**Fujairah Gold FZC**] for the purpose of assisting the [directors/management] in determining whether [Refiner] has complied with the Guidance and for no other purpose. Our assurance report is made solely to [**Fujairah Gold FZC**] in accordance with the terms of our engagement. We do not accept or assume responsibility to anyone other than [**Fujairah Gold FZC**] for our work, or for the conclusions we have reached in the assurance report.



### ***Limited assurance procedures performed***

We planned and performed our work to obtain all the evidence, information and explanations considered necessary in relation to the above scope. These procedures included:

[Enquiries of management to gain an understanding of [Refiner's] processes and risk management protocols in place

Enquiries of relevant staff responsible for the preparation of the Report

Site visits to the Refiner

Assessing the suitability of the policies, procedures and internal controls that the [Refiner] has in place to conform to the Guidance

Review of a selection of the supporting documentation, including silver supplier counterparty due diligence file and transaction's documentation

Test a selection of the underlying processes and controls that support the information in the Report

Review of the presentation of the Report to ensure consistency with our findings]

### ***Inherent limitations***

Non-financial information, such as that included in the Refiner's Compliance Report, is subject to more inherent limitations than financial information, given the more qualitative characteristics of the subject matter and the methods used for determining such information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques that can result in materially different measurements and can impact comparability. The methods used by refiners to comply with the Guidance may differ. It is important to read the [Refiner's] silver supply chain policy available on [Refiner's] website [inset web link].

### ***Independence and competency statement***

In conducting our engagement, we have complied with the applicable requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

In conducting our engagement, we confirm that we satisfy the criteria for assurance providers as set out in out in the Audit Guidance to carry out the assurance engagement.

### ***Assurance observations, findings and recommendations for improvement:***

The review procedures undertaken by us 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: during 01/04/2020 to 31/03/2021

No of suppliers: 01

Type of Raw material: Silver Sand - by-product from Zinc smelting



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

Representative samples of about 50% verified from the supplier from the total transactions.

(ii) The sampling rules or methods used:

*Sample basis used considering the high volume transactions and high value Customers / suppliers and Type of Gold*

iii) 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:

*There are no cash transactions. All payments are only through bank transfers. Verified the transactions made against vouchers traceable to supply of gold and sale of gold Usage in excess of government thresholds as applicable in the Accredited Member's place of domicile was verified and found none.*

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

*This was verified and found none.*

(v) 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 on the sampled transactions, 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. The documentation towards the supply was verified and was found adequate on the samples verified.*

(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 performed the Limited assurance review and also made it available in their portal. Verified and found the Independent Limited assurance report and the FG compliance report for the year 2019 published in their website: <http://www.fujairajhgold.com>*

*Further the limited assurance review for the period 1st April 2020 to 31st March 2021 has been conducted with Bureau Veritas as independent 3rd party reviewer and will make it available in their portal upon receipt of the report.*

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 1/2/2021, Ver 02, rev. 00, align with the DMCC Rules 2017. The implementation of the same was found to be adequate.*

### **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 findings and recommendations 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" Ver 1.1., 2017 issued by Dubai Multi Commodities Centre and DMCC's AML/CFT policies during the assessment period

**Specific observations with respect to the Refiner's Corrective Action Plan and implementation progress;**

*(Please list here any specific observations with respect to the Refiner's Corrective Action Plan and implementation progress.)*



The corrective actions proposed and taken against the findings and recommendations raised were reviewed and found satisfactory. The effectiveness of these actions shall be reviewed during the next assessment.

**Countries of Origin Annex for mined and recycled Precious Metal including the amounts (Kgs.) received from each origin**

Please, see the attached file

**Other relevant information**

Please list here any other relevant information

**Assurance Conclusion**

In our opinion, in all material respects:

Based on the Limited assurance procedures performed, as described above, that [**Fujairah Gold FZC**] Refiner's Compliance Report for the year [1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021], in all material respects, describe fairly the activities undertaken during the year to demonstrate compliance, and management's overall conclusion contained therein, is in accordance with the requirements of the DMCC Rules on Risk Based Due Diligence in the Gold and Precious Metals Supply Chain.

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 were achieved in the period **1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021.**

	Compliance Status		Non Compliance – risk level		
	Fully Compliant	Low Risk Deviations	Medium	High	Zero Tolerance
<b>Based on the assessment conclusions, the overall rating of the Refiner's performance is determined to represent: Compliant with Low risk deviations</b>					

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

**Date: 27/05/2021**

  
**Signature :**



**Company Stamp:**