




PRESTIGE PRECIOUS METALS DMCC

Anti-Money Laundering and Combatting the Financing of Terrorism Policy and Procedures

Prepared by :	Legal and Compliance Officer	
Approved by:	Managing Director	
Effective Date	15 December 2023	
Version Number	02	Revision Date 15 December 2023

Revision History

Date	Version	Author	Comments (including Review History)
27 July 2023	01	Legal and Compliance Officer	Designed to meet the Legal and Regulatory Requirements of United Arab Emirates and UAE Directive on AML/CFT
15 December 2023	02	Legal and Compliance Officer	Amended to meet the Legal and Regulatory Requirements of United Arab Emirates and UAE Directive on AML/CFT

Approved by:

Abdullah Meler

Managing Director





INTRODUCTION

PRESTIGE PRECIOUS METALS DMCC ("the Company") is a limited liability company duly registered under the laws of the United Arab Emirates with License No. DMCC- 879792 issued by the Dubai Multi Commodities Center. The Company is dedicated to the meticulous transformation of raw gold into its purest and most valuable form. With a rich legacy of expertise and innovation, we combine traditional craftsmanship with advanced refining techniques to ensure that each ounce of gold shines with unparalleled brilliance. The company is classified as a Designated Non-Financial Business and Profession under the Anti-Money Laundering and Combating the Financing of Terrorism laws of the United Arab Emirates because of its business model and target market.

Today, we continuously ensure that the change we facilitate to our raw materials return the greatest value for our suppliers and clients, and at the same time ensure compliance with applicable laws and regulations.

The Company is fully committed to absolute compliance with all laws and regulations pertaining to anti-money laundering and the fight against the financing of terrorism. We are well-versed in the national legislative framework governing the prevention of money laundering. To both thwart and uncover instances of money laundering, terrorist financing, and other illicit activities, the Company has put in place and will actively enforce the guidelines outlined in this Policy.

PRESTIGE PRECIOUS METALS DMCC'S COMMITMENT

The Company is firmly committed to adhering to all relevant regulations and laws related to combatting the financing of terrorism and preventing money laundering. The employees, owner, and senior management of the company are resolutely dedicated to not:

- Accept funds and/or precious metals that are known or believed to be the proceeds of crime.
- Enter into business agreements with or continue to maintain business ties with individuals or entities that are either known or are suspected to be a terrorist or a criminal organization, whether or not listed on any sanction list.
- Maintain anonymous or private accounts; and
- Develop connections and/or enter business relationships with entities/individuals from prohibited jurisdictions or industries.

The Company also commits to alert regulatory authorities to any suspicious transactions and activities, and to work closely with them on any investigations. The following are the laws and regulations that must be adhered to in the United Arab Emirates:

- Decree Law No. 20 of 2018 on Anti-Money Laundering and Combating the Financing of Terrorism and Illegal Organizations.
- Cabinet Decision No. 10 of 2019 regarding Implementing Regulations of Decree Law No. 20 of 2018 on Anti-Money Laundering and Combating the Financing of Terrorism and Illegal Organizations (the "AML-CFT Decision").
- Cabinet Decision No. 74 of 2020 regarding Terrorism Lists Regulation and Implementation of UN Security Council Resolutions on the suppression and combating of Terrorism, Terrorist Financing, Countering the Proliferation of Weapons of Mass Destruction and its Financing and Relevant Resolutions.
- Cabinet Decision No. 58 of 2020 regarding Beneficial Owner Procedures.
- MOE Circular No. 2/2021 – Guidelines for Designated Non-financial Business and Professions.



- MOE Circular No. 6/2021 - Update on High-Risk Jurisdictions, jurisdictions under increased monitoring and identification of countermeasures to be applied by DNFBPs.
- MOE Circular No. 4/2022 – Interpretative Note on Assessing Jurisdictional Risk and the Consequential Application of AML/CFT Obligations
- MOE Circular No. 8/AML/2021 – goAML Reporting Requirements
- MOE Circular No. 5/2021 – regarding TFS reporting
- MOE Supplementary Guidance for Dealers in Precious Metals and Stones (1).
- FATF Recommendations.
- Any other laws, regulations, notices, circulars issued by the Supervisory Authorities, National Committee for Combating Money Laundering and the Financing of Terrorism and Illegal Organizations and The Financial Intelligence Unit in United Arab Emirates.
- Cabinet Decision No. 16 of 2021 regarding the unified list of violations and administrative fines for the said violations of measures to combat money laundering and terrorism financing that are subject to the supervision of the Ministry of Justice and the Ministry of Economy.

To protect the business from any unlawful transactions, the operating units must comply to the AML/CFT principles and minimum defined standards stated herein to protect the company from any illegal transactions.

To comply with UAE Federal Law No. 20 of 2018 and Cabinet Decision No. 10 of 2019 (collectively referred to as the "AML/CFT Compliance Guidelines"), the Company will appoint a Compliance Officer or establish a dedicated unit. This individual or unit will guide senior management and staff, enforce internal directives, conduct AML/CFT training, submit required reports, and address all aspects of preventing money laundering and terrorism financing.

Unless otherwise stipulated, the registered and associated person of the Company will assume the role of the Compliance Officer as described herein in order to ensure compliance with UAE Federal Law.

IDENTIFICATION AND ASSESSMENT OF ML/TF RISK

The Company shall identify and assess the risk profiles of its clients and the result of risk rating applied to the customers shall be used in determining the efficient allocation of AML/CFT resources, as well as the appropriate application of reasonable and proportionate risk-mitigation measures, including CDD measures.

Risk Factors

The regulation on AML/CFT specify risk factors to be taken into consideration when identifying and assessing ML/TF risk at both the enterprise and the customer levels. The Company considers the factors such as:

- **Customer / Counterparty Risk:** Counterparty/customer type, complexity and transparency (e.g. whether the counterparty or customer is a physical person, a legal person or a legal arrangement; if a legal person or arrangement, whether part of a larger, more complex group; and whether there is any association with a PEP)—particularly in relation to whether the party appears to be acting on their own or on behalf of a third party, and whether their knowledge and experience on the product and transaction type is appropriate.
- **Geographic Risk:** country of origin of the precious metal or country of origin or residence status of the customer.



- **Delivery Channel Risk:** channel by which the counterparty/customer is introduced (e.g., referrals versus walk-in, international versus domestic, in-person or via the internet or other media) and communicated (e.g., remote, or personal contact, direct or indirect through a proxy)
- **Product Risk:** type, nature, and characteristics of the products and/or services, including but not limited to quantity, quality/level of purity, price/value, form (whether physical or virtual, raw/rough or processed/finished, etc.), rarity, portability, potential for anonymity.
- **Transaction Risk:** type, size, complexity, cost, and transparency of both the transaction and the means of payment or financing—particularly in relation to whether they appear to be consistent with the counterparty or customer's socio-economic profile, local market practices, and the degree of expertise required.
- **ML/FT Risk** as per the UAE National Risk Assessment

Following a risk-based approach, the Company applies three degrees of due diligence as part of KYC process according to the risk identified of relationship with customer.

1. Simplified Due Diligence: For Low-Risk Customers only.
2. Standard Due Diligence: For Medium-Risk Customers.
3. Enhanced Due Diligence: For High-Risk Customers and/or where there is a suspicion of financial crime.

APPLICATION OF CUSTOMER DUE DILIGENCE (CDD) MEASURES

Know-Your-Customer (KYC) is a process of identifying and verifying customer's identity and its intended nature of business relationship with the Company. An adequate KYC process ensures that the Company deals with legitimate customers and prevents any possibility of financial crime risks.

Elements of Customer Due Diligence

The Company is dedicated to conducting thorough investigations and continual surveillance of the business association with the client, beneficial owner of the company, or individual exercising effective control over the relevant entity during our operations. Client due diligence encompasses various components:

- Verifying the identity of the customer;
- Determining the ultimate beneficial owners;
- Gathering details about the purpose and intended nature of the business relationship;
- Evaluating potential risks. The execution of client due diligence and continuous monitoring is conducted with consideration for risk sensitivity. The risk-oriented strategy entails PRESTIGE PRECIOUS METALS concentrating on areas of the highest risk; and
- Sustained oversight of the business association

Customer Due Diligence Requirements

- a. PRESTIGE PRECIOUS METALS shall establish, document, and maintain a written Customer Due Diligence appropriate for its size and business that, at a minimum, includes each of the requirements under KYC Checklist.



The Customer Due Diligence shall be part of the PRESTIGE PRECIOUS METALS's anti-money laundering compliance program.

- b. PRESTIGE PRECIOUS METALS shall obtain and record competent evidence of the client's complete identity, representative capacity, domicile, legal capacity, occupation or business purposes of clients, through the use of documents detailed in the KYC Checklist.
- c. Clients must be informed of PRESTIGE PRECIOUS METALS' policy that no business transaction will be conducted with applicants failing identity verification, without derogating from PRESTIGE PRECIOUS METALS' obligations to report suspicious transactions. If initial verification fails or raises suspicion of false information, additional measures are taken, with details recorded for business decision considerations.
- d. If during the business relationship, PRESTIGE PRECIOUS METALS has reason to doubt (i) the accuracy of the provided information; or (ii) the customer's status as beneficial owner; or (iii) the intermediary's declaration of beneficial ownership; or (iv) if there are any signs of unreported changes, PRESTIGE PRECIOUS METALS DMCC shall take further measures to verify the identity of the customer or the beneficial owner. Such measures may include referral of names and other identifying information to criminal investigating authorities; and review of disciplinary history and disclosure of past relevant sanctions.
- e. PRESTIGE PRECIOUS METALS will regularly review customers name against databases to ensure that its customers' names are not included on any sanctions list, such as those circulated by the financial intelligence unit, the supervisory authority, or the United Nations. Such checks will occur monthly, unless the staff have reasons to suspect the customer's involvement in money laundering, criminal, or terrorism-related activities.
- f. PRESTIGE PRECIOUS METALS will not open an account or establish a relationship with a customer who gives false and/or fictitious name.
- g. All prospective customers will be risk-assessed for money laundering.
- h. The Customer Due Diligence must include procedures for providing customers adequate notice that PRESTIGE PRECIOUS METALS is requesting information to verify their identities.
- i. PRESTIGE PRECIOUS METALS shall maintain customer accounts only in the name of the account holder. It shall not open or keep anonymous accounts, fictitious names accounts, incorrect name accounts.
- j. PRESTIGE PRECIOUS METALS shall ensure that they know their customers well, and accordingly, shall keep current and accurate all material information with respect to their customers by regularly conducting verification and update thereof.

KYC Process

- A. PRESTIGE PRECIOUS METALS maintains clear customer acceptance policies and procedures, including a description of the customer types likely to pose a higher risk than average risk. Before accepting a potential client, KYC and due diligence procedure are followed, by examining factors such as customers' background, country of origin, public or high-profile position, linked accounts, business activities or other risk indicators.



- B. KYC is to be carried out according to mandatory Customer KYC checklist as provided for in the KYC Form for (i) Individual shareholders / directors / manager KYC checklist and; (ii) Corporate KYC checklist.
- C. PRESTIGE PRECIOUS METALS is strictly forbidden to transact business with shell companies. Shell companies are institutions without physical presence in any country, no active business and which merely exists on paper.
- D. An integral part of KYC process is the carrying out of applicant screening and background checking and risk assessment. Screening ensures that an applicant is not listed on an international official sanction lists issued by government departments and law enforcement agencies. Background checking is designed to identify any adverse information about the past conduct of an individual that may influence their suitability as an applicant. The risk assessment process clarifies the applicants into three risk categories: low, medium and high.
- E. Extensive due diligence is essential for an individual with high net worth but whose source of funds is unclear. A decision to enter into business relationships with high-risk customers, such as politically exposed persons, is taken exclusively at senior management level.
- F. When conducting the KYC process, there shall be no reliance on third party information or "hearsay". For applicants introduced to PRESTIGE PRECIOUS METALS by a third party, PRESTIGE PRECIOUS METALS compliance unit must carry out and perform all identification, verification and KYC procedures.

Enhanced Due Diligence

The Company, following a risk-based approach, must enhance customer due diligence measures for high-risk customers, including PEPs, those associated with high-risk countries, and correspondent banking institutions. Enhanced Due Diligence (EDD) is also applicable when doubts arise about a customer's risk classification or when red flags suggest unusual or suspicious activity. EDD involves more rigorous verification, detailed inquiry into the purpose of the business relationship, increased supervision, obtaining more information about the customer and beneficial owner, regular updates, senior management approval, enhanced monitoring, and specific requirements for payments.

SUSPICIOUS TRANSACTIONS REPORTING

The Company shall establish a mandatory reporting system for suspicious transactions, adhering to UAE's AML/CFT legislative framework. Any suspicious activities (SARs/STRs) must be reported to the FIU through the goAML system.

Employees, directors, or officers discovering a client's involvement in predicate crimes must promptly report it to the Compliance Department. After reviewing the information, the Compliance Department will escalate it to the Chief Compliance Officer, who will decide whether to report to the FIU as Suspicious Activity.

In case of reasonable grounds to suspect unlawful customer activity, the Chief Compliance Officer must promptly evaluate. If warranted, the case must be immediately reported to the FIU, unless the Chief Compliance Officer records an opinion that such grounds do not exist.

PRESTIGE PRECIOUS METALS will keep a register of all suspicious transactions reported to the Chief Compliance Officer, detailing the date, reporting person, and relevant information, whether reported to the FIU or not.



Failure to report a suspicious transaction, whether intentional or due to gross negligence, is a federal crime. Non-compliance with the statutory obligation to report suspicions of money laundering, terrorism financing, or supporting illegal organizations may result in fines, imprisonment, or both.

GOVERNANC OF AML/CFT

To guarantee that the AML and CFT framework is effectively implemented throughout the enterprise, the company constituted a Compliance Committee. The members of the Compliance Committee are:

- One of the Board members/Owner
- Compliance Officer / MLRO
- Internal/ External Auditor; and
- Head of other departments, if required.

The Committee is headed by Head of Legal and Compliance and meets every quarter and reviews the effectiveness of AML Compliance Function to ensure that:

- The requisite policy, procedures and systems are in place to mitigate the risks;
- Resources, systems and tools available to the MLRO and ensure that they are appropriate to the nature, size and complexity of the business; and
- Findings of internal/ external audit.

Compliance Department Structure

A. The Owner

- Putting in place a strong compliance program.
- Review and approve the Compliance Risk Assessment of the Company.
- Review the quarterly compliance report along with the high-risk areas identified.
- Ensure that the organization's whole workforce receives AML/CFT training.
- Review and approve the AML and CFT Compliance Policy of the Organization.
- Examine the issues with AML/CFT compliance brought forward by the Compliance Committee.

B. Compliance Officer / Money Laundering Reporting Officer (MLRO)

The Compliance Officer / MLRO must:



- Be a member of Senior Management.
- Report directly to the Senior Management.
- Be provided with sufficient resources including time, systems, tools and support staff depending on the nature, size and complexity of its business; and
- Be independent and does not have any conflict of interest in performing its role.

Responsibility:

- Track transactions linked to crimes of any kind.
- Review, examine, and analyze records; obtain information about suspicious transactions; and make decisions regarding whether to notify the FIU or keep the transaction going while keeping complete confidentiality.
- Evaluate the extent to which the Company is committed to the application of these rules and procedures, suggest updates and develop these rules and procedures, prepare and submit semi-annual reports on these points to senior management, and send a copy of that report to the relevant Supervisory Authority enclosed.
- Review the internal rules and procedures relating to combating the Crime and their consistency with the Decretal Law and the current Decision. Detect Transactions relating to any crime.
- Prepare, execute and document ongoing training and development programs and plans for the Company's employees on Money Laundering and the Financing of Illegal Organizations and the means to combat them.
- Collaborate with the Supervisory Authority and FIU, provide them with all requested data and allow their authorized employees to view necessary records and documents allowing them to perform their duties.
- Monitor the application of AML policies, practices, systems, and controls, including the use of a risk-based strategy to address ML/FT risks.
- Ensure that the necessary policies, procedures, systems, and controls are established, created, and maintained to monitor daily operations for compliance with AML law, regulations, policies, procedures, systems, and controls and to regularly [annually] assess, review, and evaluate the effectiveness of the same to prevent money laundering and terrorist financing.
- Receive, investigate, and assess the internal suspicious transaction reports and File STRs to the FIU, immediately once a suspicion is confirmed by Compliance Committee within two working days after completion of necessary investigation.
- Serve as the focal point or main point of contact for AML matters between the FIU, the regulator(s), and State authorities. Ensure a fast response to any information requests from the FIU, regulator(s), and state authorities about AML-related matters.



- Receive and apply findings about AML from the Ministry of Economy and other countries.
- Examine the suitability and efficacy of the AML/CFT training programmes.
- Report on AML and CFT issues to the Compliance Committee.
- Carry out all additional responsibilities assigned to the Money Laundering Reporting Officer under AML/CFT laws, regulations, or matters pertaining to AML/CFT, such as logging onto the FIU's IEMS portal and submitting STR and other reports to them. The MLRO must execute his responsibilities honestly, reasonably, and independently, particularly while receiving, investigating, and assessing internal STRs.
- Regularly assess how this AML Compliance policy compares to new notices, legislation, and best practices provided by regulatory agencies.
- Ensure that all important records related to customer KYC, customer transactions, and STR are kept on file for at least five years.
- Submit bi-annual reports on the AML/CFT controls' effectiveness for senior management and Owner to review. Additionally, MLRO must give the Compliance Committee a quarterly briefing on the most important compliance-related action items.

C. Internal/ External Auditor

The Company shall appoint an Internal/External Auditor with an independent audit function to analyze the business and its obligations by the UAE Anti-Money Laundering Laws, review the strategy and effectiveness of the application of measures, policies, and controls, and strengthen the Company's AML compliance in accordance with Cabinet Decision No. (10) of 2019 and Federal Decree No. (20) of 2018, which implemented the AML law.

The Internal/ External Auditor, appointed on a periodic basis of every once a year, shall perform the following duties:

- Examine annual records and accounts.
- Analyze the internal control procedures.
- Identify any suspicious transaction and taking the appropriate action to prevent money laundering.
- Assess money laundering risk and evaluate transactions to detect financial terrorism.
- Review whether the Company complies with rules and regulations laid down by the authorities.
- Prevent the clients from AML violation risks by evaluating risks on two parameters-
 - (a) Assessment of own risk regarding the nature and type of the business.
 - (b) Obligation of risk assessment when appointed to carry out the auditing duties.



RECORD KEEPING

The Company shall retain records for a minimum of five (5) years, starting from the relationship's inception or transaction completion, regardless of its active or terminated status of:

- Customer Due Diligence documentation for any transaction
- Other information, correspondence, and documentation concerning customer identification and verification
- Documentation on internal reporting of unusual or suspicious transactions
- Documentation on training sessions
- Annual reports and other relevant reports that reflect compliance levels, deficiencies, actions taken, and reports submitted to Senior Management
- Any other records demonstrating adherence to AML/CFT Laws, Regulations, Notices/Circulars, and Directives

INTERNATIONAL FINANCIAL SANCTIONS

PRESTIGE PRECIOUS METALS recognizes the threat posed by sanctioned entities and individuals and is committed to preventing such relationships. In the KYC process, the Company employs systems to instantly screen customer names against Sanctions Lists, including the UN Sanction List and local regulators' lists. Protocols for addressing potential matches are established, with records retained for five years. Key measures include:

- Regular screening of customer transactions against international and national sanction listings.
- Integration of the sanction list into sales software to block transactions under sanctioned names.
- Adoption of procedures to determine if a customer identified in the screening is on a sanctioned listing.
- Reporting transactions of sanctioned customers to the FIU.

TRAINING

All employees must be familiar with Prestige's Supply Chain Management policy. The company provides education and training to ensure staff understand their obligations and how to report suspicious matters. Internal audit or training functions may be delegated, with careful diligence.

Refresher training occurs at least annually to update staff on responsibilities and changes in laws and procedures. New employees receive training within 30 days, covering legal elements and job-specific applications. Ongoing training is regularly updated.

Employees are required to read and comply with the Compliance Manual, report concerns to the Compliance Officer, and sign an acknowledgment form. To ensure continued adherence, employees must annually reconfirm their awareness by signing the acknowledgment form or as required by the Compliance Officer.

PREPARED BY:

Compliance Officer – Fleur van der Hoeven

APPROVED BY:

Managing Director – Abdullah Meler

