

DMCC's 'Review Protocol' on Responsible Sourcing of Precious Metals

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1. Background & Scope

In June 2012, The 'Dubai Multi Commodities Centre Authority' ("DMCC"), a Government of Dubai Authority, made it a mandatory requirement for all 'Dubai Good Delivery' member refineries ("DGD refineries") for Gold and Silver to comply with and implement all of the provisions of the DMCC's Practical Guidance for Responsible Sourcing of Precious Metals ("the DMCC Guidance") that was introduced in April 2012.

The DMCC guidance enables global market participants across the entire supply chain to conduct the necessary due diligence, using a risk based approach, for responsible sourcing of precious metals.

The DMCC 5-step guidance framework complies with the OECD's Supplement on Gold for conducting gold responsible sourcing due diligence from conflict affected and/or high risk areas ("the OECD Guidance"). It was developed by the DMCC in consultation with the OECD, DMCC's 'Dubai Gold Advisory Group' ("DGAG") and precious metals participants in global markets.

The OECD engaged DMCC to join their drafting committee and to assist in the development of the OECD guidance. The DMCC continues to be a part of the OECD interim governance working group for the implementation of the OECD guidance. The OECD finalized their guidance in July 2012. Further, the OECD guidance was adopted by the United States Securities and Exchange Commission, in August 2012, as a tool for fulfilling Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

The DMCC's Review Protocol on Responsible Sourcing of precious metals ("the DMCC review protocol") enables DGD accredited refineries and other global market participants to ensure implementation of the DMCC guidance. DMCC approved reviewers will use the Review Protocol for conducting assessments on the market participant's due diligence practices to determine compliance with the DMCC guidance. Audit engagements must be performed in accordance with the non-financial assurance standard ISAE 3000. ISO 19011:2011 standard will also be acceptable.

The implementation of the DMCC guidance is currently a mandatory requirement for DGD accredited refineries. We recommend all DMCC members participating across the supply chain in the precious metals industry to implement the DMCC guidance. The DMCC guidance and review protocol can be used by market participants globally for their reference and implementation of the OECD's guidance.

2. DMCC Approved Reviewers

DGD refineries must only use DMCC approved reviewers, as published on the DMCC website, for implementing step 4 of the DMCC guidance.

In case the listed DMCC approved reviewers are not able to cover specific geographical location(s), DMCC would consider the use of alternative reviewers, on a discretionary basis, and subject to DMCC determining if the reviewing body meets the DMCC minimum criteria.

3. DMCC Minimum Criteria for Selection of Reviewers

The minimum criteria required, to become a DMCC approved reviewer, is as follows:

- Appropriate infrastructure and management systems that meet the requirements of ISAE 3000 standards which assures integrity, governance and confidentiality.
- Adequate subject matter knowledge of:
 - Dubai Good Delivery standard.
 - DMCC guidance.
 - DMCC review protocol.
 - DMCC AML/CFT policy.
 - Relevant local, regional and global regulatory frameworks.
 - DMCC Guidance for Designated Non-Financial Business and Professions.
 - Supply chain due diligence systems/procedures applicable to precious metals industry, inclusive of reviewing areas such as transportation, transformation, chemical refining, inventory management, trading, settlements, etc.
- Demonstrate capabilities, competencies and proficiencies in relation to the following:
 - independence from any parties they are auditing.
 - quality control procedures with appropriate follow-up system.
 - system of complaints and appeals.
 - ability to assure the integrity and confidentiality for the reviews conducted and of their staff members.
 - provide verifiable documentation, detailing the track record of the supply chain due diligence systems and procedures under review.

DMCC shall provide guidance and awareness to approved reviewers to ensure consistency in the review process.

4. Review Protocol

4.1. Managing the Review Program

4.1.1. Objectives of the Review Program

Whilst the scope, timing and costs of the review is to be agreed between the DMCC approved reviewer and the 'DGD Refiner' (and/or global market participant), the following objectives are to be included as part of the review scope, to ensure conformity to the DMCC guidance and to provide assurance:

A. The company has established robust responsible supply chain management systems as detailed in and referring to Step 1 of the DMCC guidance

- Adequate implementation of the supply chain due diligence policy and procedures (1a-1f) for responsible sourcing of precious metals.
 - Scope to cover all provisions of the DMCC guidance.
 - Responsibilities and escalation channels are clearly defined for all relevant decision making staff across departments for consistent implementation of policy and procedures.
 - Appropriate criteria (i.e. adequate risk matrix for factors based on all provisions of the DMCC guidance) for supply chain due diligence.
 - Know Your Customer process.
 - Identification of parties involved and beneficial ownership.
 - Verification and validation of relevant information and/or documentation.
 - Background checking and screening using relevant international sanctions programmes and databases.
 - Conducting enhanced due diligence as mentioned in the DMCC guidance.
 - Ongoing monitoring and surveillance to ensure consistent implementation of the policy and procedures and centralization of information obtained.
 - Training, to be mandatory for all relevant staff members within the organization.
- Existence of a suitably qualified and competent compliance function in accordance to point 2 within Step 1 of the DMCC guidance.
- Existence and adequacy of internal documentation and records of supply chain due diligence covering inventory and transactions.
 - Track and Trace for all inventory and transactions based on points 3a-3j.
- Strengthening relationships with suppliers based on points 4a-4f.
 - Existence, consistent application and adequacy of policies and procedures.
 - Evidence of strengthening of relationships, especially with long term

suppliers based on suppliers risk classification.

- Evidence of disengagement with all high risk suppliers across all relevant staff members/divisions.
 - Evidence of 'whistle blowing' and 'suspicious reporting' for high risk suppliers to relevant local, federal and/or international authorities.
 - Confidentiality for whistle blowing/detecting and reporting of suspicious activities on the suspicious supplier as not to compromise any investigations.
- Existence, consistent application and adequacy of security requirements based on points 5a-5e within section Step 1 of the DMCC guidance.
 - Trainings for relevant staff members in accordance with the company's supply chain policies and procedures.
 - Existence of multiple training programs based on staff member level of risk in handling suppliers and relevance of curriculum for each training program.
 - Feedback from attendees to assess effectiveness of trainings.

B. The company is able to identify and adequately assess risks in the supply chain as detailed in and referring to step 2 of the DMCC guidance

- Evidence and consistent application of the management system developed in Step 1 of the DMCC guidance.
 - To assess risk associated with processing, distribution, transportation, cross border trading, etc.
 - To assess risk for every actor in the supply chain i.e. from mines to retail.
- Existence, consistent application, and adequacy of risk assessment tools and methodologies (e.g. screening systems for international sanctions lists) that are being consistently applied by all relevant staff across divisions.
 - Evidence that all factors (1.1 Geographical, 1.2 Counterparties in Supply Chain and 1.3 Transactions) are taken into consideration for risk assessments and the adequacy of the risk assessment findings (e.g. no falsification of evidence, or adequate use of track and trace principle to link records for transactions, transportation and transformation of gold).
 - Evidence that the risk assessment findings enable the company to detect red flags as detailed in the DMCC guidance under Step 2 (i.e. 2.1 Location based, 2.2 Supplier based and 2.3 Circumstances based).
 - Evidence of enhanced due diligence (using methods such as 3.1, 3.2 and 3.3 on the basis of pertinent cost-benefit and/or other appropriate analysis based on the level of risk) on red-flagged suppliers prior to engaging with them and adequacy of review program findings.
 - Evidence that all of the above findings are being documented and reported in a timely manner to all relevant staff members in order to timely mitigate the risks.

C. The company has developed and implemented a risk mitigation/control plan as detailed in and referring to step 3 of the DMCC guidance

- Existence, consistent application and adequacy of policy and procedure for risk mitigation/control.
 - Evidence, adequacy and effectiveness of consistent implementation of points 1a-1f under section step 3 of the DMCC guidance for risk mitigation.
 - Evidence, adequacy and effectiveness of risk level classification and related control mechanism for each level of low, medium and high risk classifications.

D. The company is reporting annually on its measures implemented for responsible supply chain due diligence in accordance to Step 4 and 5 of the DMCC guidance

- Completeness and adequacy of content.
- Evidence of reporting being published for accessibility by the company's regulators, existing and potential suppliers and customers, etc.

4.1.2. Reviewer's Responsibilities, Resources and Procedures

Responsibilities:

- Ensuring that the assessment plan and objectives are clearly set based on the objectives detailed in earlier section 4.1.1.
- Ensuring responsibilities and procedures of the assessment team and interactions with the auditee during the review protocol is clearly set out.
- Ensuring that necessary resources were provided to conduct the review by the auditee for onsite review.
- Ensuring that the review cycle was conducted in accordance with the DMCC review protocol and records are maintained.
- Ensuring that reports provided on the review program findings enable the monitoring, reviewing and implementation of a corrective action plan by the auditee.
- Ensuring that DMCC is informed in case there is a breach of the review protocol as detailed in section 5.

Resources:

- Financial resources to develop, implement, manage and improve the review procedures.
- Operational resources such as travel arrangements, etc.
- Knowledge and competency of the assessment team to perform the review based on the DMCC guidance and in accordance with the DMCC review protocol.
- Appropriate review techniques, methodologies, framework and related systems to be used by the assessment team in preparing the review plan and its implementation.

Procedures

- Planning and scheduling the review program.
- Assuring the competence of the assessment team.
- Assigning roles and responsibilities to the assessment team members i.e. reviewing tasks, supervisory tasks, etc.
- Monitoring performance and effectiveness of the review program and its implementation, to ensure meeting the review objectives.
- Conducting any necessary follow-up.
- Recording the review program findings and cross validation of the evidence.
- Reporting the final review outcome to the auditee.

4.1.3. Implementation of the Review Program

- Ensuring that the reviews have been conducted in line with the review plan and objectives.
- Communicating and circulating the initial review outcome to all relevant parties for their comments, if required, and later, a finalized version for their implementation.
- Coordinating the review with all relevant parties and related activities.
- Continuous evaluation of the review program and the reviewers.
- Following-up on all outstanding matters and/or further actions required.

4.1.4. Recording the Review Program Findings

Records should include the following:

- The final outcome of the review program.
- Non-compliance reports.
- Corrective action plan, wherein, the actions are SMART (Specific, Measurable, Achievable, Relevant and Timely).
- Follow-up reports.
- The reviewers' detailed assessment reports.

The reports should be maintained for a minimum period of five years as per the DMCC's AML/CFT policy.

4.1.5. On-going Monitoring and Assessment of the Review Program

Implementation of the review program should be monitored by the reviewer to confirm the following:

- Objectives of the review are met.
- Propose any enhancements on the review program if required

4.2. Review Activities, Conclusion and Reporting

This section provides a guideline overview of the minimum review activities that will be performed by the reviewer.

4.2.1. Pre-Review Activities

It is the responsibility of the reviewer to engage with the auditee for preparation and planning prior to the onsite review activities for the following (non-exhaustive):

- Agree on all costs (inclusive of travel expenses, hotels, meals, etc. for each location that is to be reviewed).
- Determine all locations including offsite premises (and related contact information: address, key people, etc.) for all business operations that are precious metal bearing for the purpose of transportation, transformation, chemical refining, trading, and/or locations that have a direct or indirect responsibility of conducting due diligence on supply chain and ensuring track and trace with regards to handling, processing and/or transportation of the precious metals.
- Preliminary timeline for the review of each location based on number of transactions and suppliers.
- Documentation for each relevant business operation should include complete list of transactions and related 'track and trace' information of the precious metals supplier.
- Counterparties (indicating the country of residence and risk classification) and related due diligence evidence.
- Organizational chart detailing business operations and nominating decision making staff members that are responsible for implementing the DMCC guidance.

It is the responsibility of the auditee to furnish accurate and complete information.

Based on the above information, the reviewer is to provide a detailed review plan to the auditee in advance of the onsite visit which should include the following information for each location to be reviewed:

- All types of documentation for relevant activities across relevant departments that are to be reviewed.
- Individuals from relevant business departments operations to be interviewed.
- Physical walkthrough and inspection of relevant business operations.

4.2.2. Onsite Review Activities

A. Opening Meeting

The objective of an opening meeting is for the reviewer to detail the review plan with the auditee's various relevant business operations/staff members who will be assisting in the onsite review process to reconfirm the following:

- Various business operations (processes and systems, etc.) and roles of relevant staff members for implementing the DMCC guidance (it is recommended that all relevant heads of various business operations should attend the meeting).
- Review plan objectives, scope, timelines, procedures, etc.
- Locations that need to be reviewed and available resources for conducting the review.

- Confidentiality of the entire review process, inclusive of communication methods (such as meeting minutes, reports, interviews, etc.) and classification of risk for any non-conformity to the DMCC guidance.
- Conditions for premature termination of the review process and appeal system on any aspect of the review process during review and/or completion of the review.

B. Obtaining the Review Evidence

During the onsite review, the evidence obtained by the reviewer should be objective, relevant and conclusive to validate and verify the objectives of the review as detailed earlier in clause 4.1.1.

Generally, sources of information for obtaining objective, relevant and conclusive evidence are as follows (non-exhaustive):

- Interviews with management, employees and other persons.
- Visual observations of activities surrounding work environment and conditions.
- Documents such as policy, objectives, plans, procedures, standards, instructions, licenses and permits, specifications, drawings, contracts and transactions/orders.
- Records such as inventory control mechanism, inspection records, minutes of meetings, audit reports, records of monitoring programmes and results of measurements.
- Data summaries, analyses and performance indicators.
- Information on sampling programmes and procedures to control related sampling and measurement processes.
- External sources reports and/or due diligence, such as customer feedback, relevant third parties and suppliers ratings and websites (primary and secondary research to enhance the due diligence methods, as appropriate).
- MIS and related company databases (electronic or hardcopy).

The review evidence that is to be obtained by the assessment team should consist of all of the following methods

1. Interviews

Interview, statistically acceptable sample size of management and employees, across all relevant business operations, directly or indirectly responsible, for ensuring the implementation of the provisions of the DMCC guidance and level of conformity.

2. Visual Observations

Perform physical walkthrough of all relevant business operations for each review location for confirming implementation of the provisions of the DMCC guidance and level of conformity

3. Documentation Review

Conduct detailed documentation review on the below areas to confirm implementation of the provisions of the DMCC guidance and level of conformity:

1. Auditee's supply chain management systems
 - Eg: Compliance and risk management structure, related operating policies and procedures, reporting mechanism, training and development.
2. Auditee's due diligence measures
 - Eg: pre-account opening screening i.e. KYC and KYC's supplier including licenses, beneficial ownership, references, background check.
 - Post account opening and pre-transaction: risk matrix based on DMCC guidance covering red flags and related risk elements.
3. Auditee's transactions
 - Minimum information recording to ensure track and trace i.e. date of gold receipt, physical form and weight of gold, source of origin, point of origin in transportation and/or customs documents (recording of seal numbers and/or packaging list).

C. Conclusion on the Level of Compliance with the DMCC Guidance

Following evaluation of the review evidence and on concluding the on-site review, the reviewer will recommend 'ANY ONE' of the following levels of compliance with the DMCC guidance, which will be the final overall rating.

1. **Fully Compliant**, provided ALL of the following criteria apply:

- ✓ Auditee fully participates in the review process and provides full co-operation to the assessment team for all aspects of the onsite review activities.
- ✓ All of the review objectives as detailed in 4.1.1. are fully met based on evaluation of the review evidence.

2. **Compliant with Low Risk Deviations**, if any one of the following criteria apply:

- ✓ Minor inadequacies or one-off stand-alone issues, with regards to performance of management systems of Step 1 of the DMCC guidance, wherein there is no material impact.
- ✓ Existence and implementation of policies and procedures for Step 1, 2 and 3, but there exists a minor lack of formalization.
- ✓ Minor inadequacies to obtain adequate due diligence documentation with regards to suppliers and/or transactional records, but still able to detect and take appropriate action on red flags.
- ✓ Minor inadequacies to use appropriate internal controls mechanism to track and trace inventory movements of:
 - precious metal transportation, trading, transformations and/or chemical refining.
 - suppliers and/or counterparties due diligence.
 - transactions records.

3. **Non-compliance: Medium Risk** if any one of the following criteria apply:

- ✓ Multiple inadequacies with regards to performance of management systems of Step 1 of the DMCC guidance.
- ✓ Multiple inadequacies to obtain adequate due diligence documentation with regards to suppliers and/or transactional records, but still able to detect and take appropriate action on red-flags.

- ✓ Multiple inadequacies to use appropriate internal controls mechanism to track and trace inventory movements as below:
 - precious metal transportation, trading, transformations and/or chemical refining.
 - suppliers and/or counterparties due diligence.
 - transactions records.

4. Non-compliance: High Risk if any one of the following criteria apply:

- ✓ Major inadequacies of management systems of Step 1 of the DMCC guidance.
- ✓ Major inadequacies to obtain adequate due diligence documentation with regards to suppliers and/or transactional records, therefore, unable to identify risks in the supply chain.
- ✓ Major inadequacies of implementing appropriate internal controls mechanism to track and trace inventory movements as mentioned below, therefore unable to segregate conflict free and conflict precious metal
 - precious metal transportation, trading, transformations and/or chemical refining.
 - suppliers and/or counterparties due diligence.
 - transactions records.

DMCC will enforce a zero tolerance policy, as detailed in section 5 of this document

D. Closing Meeting

The objective of a closing meeting, chaired by the assessment team leader, is to present the review findings and conclusions (“initial review conclusion report and/or assurance document”) in a manner that they are understood and acknowledged by the auditee, also highlighting detail areas of improvement, if appropriate, within the timelines set by the DMCC and based on the level of conformity/non-conformity with the DMCC guidance.

4.2.3. Reporting of Review Program Findings

Within 30 days of concluding the review activities for an auditee, the reviewer will submit the following reports, in full, to both the DMCC and the auditee.

It is the responsibility of the auditee to ensure that the engagement terms and conditions specifies and allows the reviewer to directly send the reports to DMCC

- 1. Comprehensive Management Report** on compliance with the DMCC guidance (i.e. to include final overall rating on level of compliance or non-compliance as defined earlier and individual ratings for the sub-points for each step 1 – 5), along with relevant review findings, also mentioning its acceptability with other internationally recognized benchmarks such as OECD, US SEC, etc.

If the corrective actions plan is mentioned in the management report, the auditee will internally use this report to adhere to the corrective and/or preventive actions as recommended by the reviewer.

The corrective improvements identified for addressing inadequacies are to be reported using the principle of SMART, so as to be effective in identifying the root

cause of the non-compliance.

Rating of Compliant with Low Risk Deviations is required to be stated in this report.

2. **Auditee's Compliance Report**, the format of this report is to be recommended by the reviewer so as to keep consistent with the management report, wherein, there is a disclosure on the individual rating of the level of compliance or non-compliance for the sub-points of each Step 1 -5 of the DMCC guidance. The final overall rating is not required to be stated in this report.

The report should include the Auditee's comments and demonstration of compliance for each rating of the sub-points. Sub-points with a rating of compliant with low risk deviations are not to be publicly disclosed in the Auditee's compliance report and will be reported as fully compliant.

3. **Reviewer's Assurance Report as detailed in Section 6.0**

The Reviewer's Assurance Report and Auditee's Compliance Report are to be published by the auditee in the website and/or publicly accessible channel to be compliant with Step 5 of the DMCC guidance.

4.2.4. Final Conclusion of Compliance Rating

Based on the reviewer's final overall rating in the management report, the DMCC review committee will use this as a basis for deciding the types of annual reviews as detailed in section 4.3.

4.3. Types of Review and Improvement Activities

Based on the ISAE 3000 standard, assurance reports generated by the reviewers can either be based on a 'Reasonable Assurance' or 'Limited Assurance' standard.

All first time reviews are to be based on a 'Reasonable Assurance' standard, which is to be conducted by the reviewer on the Auditee's activities, covering all aspects of the DMCC guidance, in accordance with the DMCC review protocol, for the time period of previous year (12 calendar months i.e. reports submitted in 2013 need to be based on 2012 documentation and related due diligence procedures).

There are two types of Re-assessment Reviews as follows:

4.3.1. Annual Review

Following a first time reasonable assurance review, the next reasonable assurance review engagement is to be conducted every three (3) years. For the two (2) years in between the reasonable assurance engagement, a limited assurance review is to be conducted on an annual basis. However, the DMCC review committee can request the Auditee to undergo a reasonable assurance review if required.

4.3.2. Follow Up Review For Non Compliance High Risk Rating

Where the Auditee has any non-compliance high risk rating, the reviewer is to conduct a follow up review to a reasonable assurance standard within 90 days after the release of the Auditee's Compliance Report **i.e. the auditee is to confirm to DMCC that there is an engagement with the reviewer within this period for conducting a follow up review and the reviewer has begun the review prior to the expiry of 90 days from release of the Auditee's Compliance Report.**

The scope of a follow up review is the Auditee's corrective action plan as provided by the reviewer, which should include details of the implementation of the Auditee's corrective actions taken to address all non-compliance high and medium risks.

Upon completion of the follow up review the Auditee should issue a consolidated compliance report incorporating the corrective actions undertaken on areas of high or medium deviations and a disclosure of the individual rating of the level of compliance or non-compliance for the sub-points of each Step 1 -5 of the DMCC guidance following the implementation of the corrective action plan.

The reviewer should issue a consolidated independent assurance report on the Auditee's consolidated Compliance Report and make these and the associated corrective action plan available to the DMCC and Auditee within 30 days of concluding the follow up review activities.

Failure to adequately implement improvements to the high risk non-compliances will result in termination of membership and de-listing.

If the Auditee is required to conduct a follow-up review then the next annual review period will commence on the date the follow-up review was concluded. The Auditee will be required to undergo a reasonable assurance review for the period.

5. Breach of Review Protocol & Zero Tolerance Policy

During the review period, the following circumstances would constitute a breach of the review protocol:

- Reviewer is denied full or part access to any of the auditee's locations that are part of the scope of the review.
- Unethical means to influence review outcome, misrepresentation and/or evidence of falsification of documentation by the auditee and/or any supply chain participant (with the knowledge and acceptance of the auditee).
- Auditee has dealings with suppliers even though the due diligence result confirms that the supplier is directly or indirectly associated with conflict precious metals.

The above list may be amended from time to time.

In this case, the reviewer should report any of the above-mentioned breaches to DMCC with supporting evidence.

The DMCC Review Committee, as constituted by DMCC from time to time, shall

determine if the claims of breaches are valid and take appropriate action against the company under review.

6. Sample Reporting Formats

6.1. Sample Assurance Reporting Format based on ISAE 3000 standard

This section details the structure of the assurance report formats, however the content is for illustrative purposes only.

Independent ‘Reasonable or Limited Assurance’ Report to *[name of the auditee]*

This report is made for the *[name of the auditee]* for the purpose of a compliance report, in accordance with the terms of our engagement letter dated *[insert date]* and attached as in *[appendix XX]*.

1. Responsibilities

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000.

Our work has been undertaken so that we report to the *[auditee party to the engagement]* on those matters that we have agreed to state to them in this report. Our tests are related to *[auditee]* 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 *[name of the auditee]* for our work, for this report or for the opinions we have formed.

2. Subject matter

This report covers the *[name of the auditee’s]* general level of compliance with the DMCC Practical Guidance for market participants in the gold and precious metals industry and in accordance with the DMCC Review Protocol as described in your report as at *[insert date]*.

3. Scope based on ‘Reasonable or Limited’ assurance:

The review procedures undertaken by us will cover the following:

- i. Review whether the *[auditee]* has established robust sustainable supply chain management systems as detailed in and referring to step 1 of the DMCC guidance and fulfilling objectives of the review program as detailed in the DMCC review protocol.
- ii. Review whether the *[auditee]* is able to identify and assess the risks in the supply chain as detailed in and referring to step 2 of the DMCC guidance and fulfilling objectives of the review program as detailed in the DMCC review protocol.

- iii. Review whether the [auditee] has developed and implemented a risk mitigation and/or control plan as detailed in and referring to step 3 of the DMCC guidance and fulfilling objectives of the review program as detailed in the DMCC review protocol.
- iv. Review whether the [auditee] 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 step 5 of the DMCC guidance and fulfilling objectives of the review program as detailed in the DMCC review protocol.
- v. Review the [auditee's] activities related to conducting due diligence for adherence to DMCC's Anti-Money Laundering and Combating Financing of Terrorism Policy (as the minimum acceptable standard for AML/CFT due diligence policy).

4. Emphasis of matter (if required)

Without our conclusion being modified, we refer to the non-compliance description contained in the [Auditee's] compliance report. This relates to the current implementation of specific due diligence procedures at [Auditee] to be in conformance with DMCC's Practical Guidance for Responsible Sourcing 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 the refiner's with DMCC Practical Guidance for Market Participants in the Gold and Precious metals Industry and DMCC Review Protocol as at [insert date];
- ii. Based on our review, nothing has come to our attention that causes us to believe that the [name of the auditee] relevant structure, polices, procedures, processes, activities, due diligence and KYC/AML/CFT activities, do not generally conform to DMCC Practical Guidance for Market Participants in the Gold and Precious metals Industry
- iii. The compliance controls that were tested, as set out in the attachment to this report, were operating with sufficient effectiveness for us to obtain 'reasonable or limited', but not absolute, assurance that the related level of compliance were achieved in the period [x] to [y].

Name of the Reviewing Firm

Location

Date

Sign and Company Stamp

6.2. Sample Assurance Reporting Format based on ISO19011

The format of ISO reports is left at the discretion of the reviewer.