

Anti-Money Laundering (AML), Combating the Financing of Terrorism (CFT), Anti Bribery and Corruption (ABC) and Responsible Sourcing Policy

OUR STATEMENT

Paloma Precious DMCC ("we" or the "Company") is committed to the strict compliance of the AML legislations of the UAE, the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and the supplement on Gold. We work together hand in hand with all local and relevant international bodies to fight against interaction with any entity, governmental or non-governmental bodies that engages in forced labor, child labor, sexual violence, corruption, bribery or any elements of misrepresentation of the origin of minerals, taxes, fees and royalties paid to government for mineral processing.

We commit ourselves to uphold the best practices in the industry and adhere to highest moral and ethical standards in whatever we do. We also aim to maintain long term business relationship with our clients and suppliers.

POLICY STATEMENT

- Strict and efficient KYC and due diligence procedures.
- Clear responsibilities and delegation of authority at all levels.
- Risk assessment system and continuous monitoring of transactions.
- Proper and detailed record keeping and maintenance of records for at least five years.
- Regular training to relevant staffs.

AML-CFT – OVERVIEW

Paloma Precious DMCC is committed in compliance to, and strict practice of all regulatory requirements including those related to Anti Money Laundering by UAE and other competent world bodies. We comply with the regulations of the world bodies which collectively set and enforce standards for Anti-Money Laundering and Combatting the Financing of Terrorism policies and programs such as the FATF, UN, EU, the Office of Foreign Assets Control (OFAC) and the local regulatory authorities such as the Central Bank of the UAE.

The Company has inhouse compliance team which has direct reporting authority to its senior management. The Company also performs due diligence on its clients and suppliers and such due diligence process is in conformance with the AML regulations of the UAE such as but not limited to the Federal Decree Law no. 20 of 2018, the Cabinet Decision no. 10 of 2019 and the Cabinet Resolution no. 74 of 2020.

Account Opening and Customer Identification

A proper system is in place for opening of new customer and supplier account. Without onboarding a new customer or supplier in compliance with the set procedures, no transaction is entertained. 'Know Your Customer and Customer Due Diligence procedures and guidelines are scrupulously adhered to before opening any new account. Our compliance team review the documents submitted by the potential customer or supplier before approving the same and the approval of compliance department is mandatory for account opening. However, low value cash transactions by customers for small investment bars are honored without the need of any account opening.

All records including, customer identification documents and related data, transaction data, and any other related documents are maintained and retained for a minimum of five years.

Identification of Ultimate Beneficial Ownership

The Company identifies the Ultimate Beneficial Owners of the legal entities with which it deals or transact. Our compliance team performs checks after collecting ownership documents along with the relevant corporate documents and make sure to identify beneficial owners as required by the local AML legislations. Our compliance team performs checks on natural persons on interdiction database and make sure not to deal with sanctioned individuals.



Enhanced Due Diligence

Enhanced due diligence is conducted on high-risk clients and when transactions appear to be potentially suspicious. Compliance team ensures to collect additional documents and performs satisfactory review in such cases. The Company

Escalation System

A self-functioning escalation system is put in place where by anyone in the supply chain or within the organization can report any irregularities to the management. These irregularities will include money laundering, suspicious transactions that could be related to financing of terrorism or suspicious sourcing of gold. If needed such incidents are further escalated after thorough internal investigation to relevant regulatory authorities such as the Financial Intelligence Unit of the Central Bank of the UAE.

Reporting System

In case of suspicious transaction, such cases are reported on concurrent basis to the compliance department as part of the Company's internal reporting system. The Compliance department in turn will conduct in-depth investigation, and take an appropriate action before reporting such transactions to the Financial Intelligence Unit of the Central Bank of UAE.

Staff Training and Recruiting

Before appointment of each employee, the HR department conducts a due diligence and asks for references from previous employers or institutions. Once appointed, each employee is given basic understanding of AML-CFT, ABC rules, responsible sourcing and Company policies. All employees of the Company are required and instructed to adhere strictly to the established AML-CFT, ABC and responsible sourcing rules in this regard. Periodic and concurrent training sessions are also available within the Company.

ANTI-BRIBERY AND CORRUPTION

The UAE Penal Code is the main Federal Law which regulates anti-bribery and corruption practices in the UAE. The Company have zero tolerance policy for bribery or corruption. Under no circumstances shall any employee or anyone acting on behalf of an employee give, pay, offer, promise to pay, or authorize the giving or payment of money or any other thing of value to any foreign government official or client, vendor or other business partner for any improper purpose or in violation of applicable laws. The Company also does not tolerate any form of criminal activity, including but not limited to money laundering, extortion, corruption or law-breaking activity.

RESPONSIBLE SOURCING

The Company performs satisfactory level of due diligence on its supply chains and comply with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and the supplement on Gold. We reject or immediately suspend supply chains where we identify a reasonable risk that there is a risk of support to non-state armed groups, or if the supply chains are in support of any worst forms of child labor, serious human rights violations, threat financing, degradation of environment or any illicit mining practices or irresponsible sourcing.

This policy is approved by the Company's senior management and is an essential part of our business activity and we require every staff to fully comply with it. This policy is updated on periodically or as and when required.

For any concerns on content of this policy or in case of any grievances, you may reach out to us on below contact details:

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