



## **AML/CFT POLICIES & PROCEDURES**

## POLICY STATEMENT

**GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.** is a licensed entity and supervised by Ministry of Economy as its reporting entity and is committed to prevent money laundering and countering the financing of terrorism.

**GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.**, as a business entity and trade license holder conducts following business in the UAE :

### Jewellery Trading

The management understands the importance of application of the standards and guidelines issued by Ministry of Economy and the supplementary guidance for industry best practices while doing the transactions and conducting businesses in the UAE.

The management of **GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.** believes that the best way to fulfill this commitment is to establish effective internal policies and procedures that are conducive to:

- Carrying out the activities and services provided in accordance with strict ethical standards and current laws and regulations.
- The implementation of codes of conduct and monitoring and reporting systems to prevent that, the company is used for money laundering and terrorism financing.
- Ensuring that all the employees of **GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.** observe this policy manual and performs action to the adherence of the process mentioned in it.

This Policy Manual is:

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Reviewed and recommended by:

**Mr.**

**Compliance Officer/ MLRO**

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Approved by:

**Mr.**

**Owner**

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## PURPOSE

This policy has been formed in the light of FIU Regulations, Circulars & Notifications on Anti Money Laundering (AML) and Combating Financing of Terrorism (CFT).

In pursuance of the :

- Federal Decree-Law No. (20) of 2018,
- Cabinet Decision No. (10) of 2019,
- Cabinet Decision No. (58) of 2020, and related circulars & notifications by the Ministry of Economy (MOE);

The policy of the company is to prohibit and actively prevent money laundering and any activity that facilitates money laundering or terrorist financing. Money Laundering (ML) is generally understood as engaging in acts designed to conceal or disguise the true origins of criminally derived proceeds or assets so that they appear to have been derived from legitimate origins or constitute legitimate assets.

The purpose of this policy is to establish the general framework within **GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.** for the fight against money laundering (ML) and financing of terrorism (FT).

This Policy sets out those provisions, procedures, and controls as enacted by **GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.** concerning Anti-Money Laundering ("AML") and Combating the Financing of Terrorism ("CFT").

The rationale behind the Policy is crystal clear; **GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.** will only accept those business associates/ clients/ customers; whose sources of precious metals or funds can be reasonably established as legitimate; and that do not pose any risk (actual or potential) to **GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.**'s reputation.

Considering the foregoing, **GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.** will not tolerate any involvement in illegal activities or unauthorized activities by its staff, business associates/ clients/ customers.

## Initiatives by GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.

- a) Registered in the Financial Intelligence Unit (GoAML) portal.
- b) Implemented a sanction screening system
- c) Appointed a Compliance Officer
- d) Conducts Due Diligence on clients by verifying the identity of customer and beneficial owner before establishing a business relationship or opening an account.
- e) Ensures Compliance with sanctions screening and reports any suspicious activity.

**GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.** will be reporting through online Go-AML portal provided by the FIU.

All reporting to be done at the time of receiving the funds. Reporting to be done within 2 weeks of occurring the qualifying transactions.

The basic purpose of the AML Policy is to establish a system for **GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.** to participate in the international efforts against ML and to duly comply with the guidelines as detailed in the various circulars & notifications of FIU, and other legal provisions and to ensure that **GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.** is not

used as a vehicle for ML. The AML framework of **GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.** would meet the extant regulatory requirements.

The Company is registered on the goAML portal and the details are as follows :

**Name : GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.**

**Authorized Person As Admin : Mr. Ghullam Maqsud Rasooly**

**Authorized Person As User/MLRO : Mr. Hsamudin Ebrahemi**

**Registered Email Address : gmrjewllc@gmail.com**

**Registered Phone Number : +971 502 033 937**

We confirm that we are observing and complying with domestic and international laws, rules and regulations, including those governing the illicit trade in precious metals and the United Nation Security Council (UNSC) sanctions.

## **SCOPE**

This Policy is applicable to all employees of **GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.** suppliers, customers and third parties that we deal with. It applies to all the following dealings:

- Precious metals mean gold, silver, palladium, or platinum whether in coins, bars, ingots, granules or in any other similar form.
- Precious stones mean diamonds, sapphires, emeralds, tanzanite, rubies, or alexandrite.
- Jewellery means objects made of precious metals, precious stones or pearls intended for personal adornment, such as earrings, bracelets, rings, necklaces, brooches, watches, etc.
- Any object concerning which at least 50 percent of its monetary value is comprised of precious metals and stones (PMS)
- A variety of high-value industrial metals, including so-called conflict minerals (for example, wolframite, cassiterite, and coltan), cobalt, and other platinoid metals (e.g., rhodium, etc.);
- A variety of semi-precious gemstones (e.g., amethysts, opals, jade, and others);
- Synthetic, treated, or artificial gemstones (Diamonds, Emeralds, Rubies, Sapphires, Pearls).

This Policy is applicable to production and/or trade of precious metals or stones, whether in raw, cut, polished, or elaborated (mounted or fashioned) form. Production and/or trade in this context includes any of the following acts involving raw/rough or processed/finished PMS:

- Extraction (whether by mining or other method), refining, cutting, polishing or fabrication.
- Import or export.
- Purchase, sale, re-purchase, or re-sale (whether in primary, secondary, or scrap markets);
- Barter, exchange, or other form of transfer of ownership.
- Loan or lease arrangements (e.g., sale-leaseback, consignment, or memorandum sales);

- Possession (whether permanent or temporary, for example, as part of a fiduciary, warehousing, collateral, or other safekeeping arrangement; or under contract for a specific purpose such as cutting, polishing, refining, casting, or fabrication services).

This Policy is applicable to:

- Wholesale or Retail Trade
- Whether it is direct or indirect (such as through a broker or other intermediary)
- Whether it is between natural or legal persons or legal arrangements, including any other Dealer in precious metals and stones (DPMS)
- Whether the PMS are traded physically or virtually (for example, via certificates, on electronic exchanges, or via internet), irrespective of where or by whom the physical goods are warehoused, held in safekeeping, or delivered.

## **AML/CFT COMPLIANCE PROGRAM**

The Pillars of our AML/CFT and Sanctions Compliance include:

- A. Adoption of Risk Based Approach
- B. Assessment of Entity-Wide Risks and Client Risks
- C. Implementation of Risk-based Procedures and Internal Control to prevent and deter ML/TF and Sanctions Avoidance
- D. Undertaking Customer Due Diligence for all clients and Enhanced Due Diligence for High-Risk Clients and PEPs
- E. Appointment of a Compliance Officer
- F. Employee Screening and Staff Training
- G. Dissemination of Suspicious Activity Indicators to employees
- H. Identification of Suspicious Activity and reporting of Suspicious activity to the Financial Intelligence Department through GOAML Portal
- I. Record-keeping
- J. Adherence to Sanctions Compliance
- K. Independent Review of AML/CFT/Sanctions Compliance program

## **STATUTORY PROHIBITIONS**

**GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.** commits that we will not:

- A. Establish or maintain any Customer or Business Relationship or conduct any financial or commercial transactions with any natural or legal person who is anonymous or known by fictitious name or by pseudonym or number.
- B. Establish or maintain a Business Relationship or execute any transaction in the event we are unable to complete adequate risk based CDD measures in respect of the Customer for any reason.
- C. Deal with Customers listed under any Sanction watch list and/or United Nation's "Consolidated List" and UAE Local Terrorist list.
- D. Invoke professional or contractual secrecy as a pretext for refusing to perform our statutory reporting obligation with respect to suspicious activity.

## **OBJECTIVES**

- i. To establish a framework for adopting appropriate AML Procedures and controls in the operations / Business processes of **GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.** .
- ii. To put in place appropriate controls for detection and reporting of suspicious activities in accordance with applicable laws/laid down procedures.
- iii. To comply with applicable laws and regulatory guidelines.
- iv. To take necessary steps to ensure that the concerned staff is adequately trained and KYC/AML procedures are implemented.
- v. To assist law enforcement agencies in their effort to investigate and track money launderers.

## **COMPANY'S COMMITMENT**

**GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.** is a company registered under **DUBAI ECENOMY AND TOURISM, GOVERNMENT OF DUBAI, UAE**. The company deals in Jewellery Trading. The Company is covered under the United Arab Emirates Federal Decree Law no. (20) of 2018 on Anti-Money Laundering and Combating the Financing of Terrorism and Illegal Organizations (the "AML/CFT Law").

As per this law, the company is obligated to establish a set of policies and procedures to ensure that it does not participate or facilitate money laundering and/or the financing of terrorists or criminal activities.

**GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.** is strictly committed to adhere to the policies, rules, regulations and guidance provided by the Government of UAE.

**GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.** continue to train its staff on the vulnerability of the DPMS sector and based on the regulations on the anti-money laundering and combating financing of terrorism & criminal activities with a specific emphasis on the KYC (Know Your Customer) and Due Diligence Principle. Our staff are also encouraged to participate in the various seminars organized by the various authorities and local bodies such as Dubai Gold & Jewellery Group.

We commit to rejecting or immediately suspending and discounting engagement with suppliers or customers where we identify a reasonable risk that they are sourcing (or are linked) to parties committing any of the crimes described above.

We will not tolerate any direct or indirect support to non-state armed groups or their affiliated who:

- Illegally control mine sites, transportation routes or other points in the supply chains.
- Illegally tax or extort money or minerals at points in the supply chain, such as mining sites, or points where minerals are traded or exported.

The issuance of this Policy together with the implementation, operation, and enforcement of the procedures and controls therein, reflect **GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.**'s commitment in this regard.

To combat money laundering and/or the financing of terrorism, **GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.** shall co-operate with UAE and international government agencies, and recognized law enforcement agencies.

## **OBLIGATIONS FOR DEALERS IN PRECIOUS METAL & STONES (DPMS)**

Cabinet Decision no. (10) of 2019 concerning the implementing Regulation of Decree Law no. (20) of 2018 on Anti-money laundering and Combating the financing of terrorism and Illegal organizations (the AML/CFT decision), identifies the dealers in precious metals & stones (DPMS) as Designated Non-financial Business & Professions (DNFBPs), when they engage in carrying out any single monetary transaction, or several transactions which appear to be interrelated, whose value is equal to or greater than AED 55,000; and subjects them to specific AML/CFT obligations under the AML/CFT legislative and regulatory framework of the United Arab Emirates (UAE).

The principal Obligations of **GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.** under the AML-CFT Law, AML-CFT Decision and Related Resolutions relate to the following categories of actions:

- Maintaining a continuously up-to-date awareness of the persons and organizations listed in the relevant Sanctions Committees lists and comparing these on an ongoing basis with their customer databases.
- Ensuring, prior to entering business relationships or conducting any transactions with natural or legal persons or legal arrangements, that such persons or organizations are not included in the relevant Sanctions List;
- Freezing (or unfreezing when so instructed by the Competent Authorities) the Funds of listed persons or organizations, which the supervised institutions hold, have access to, or otherwise control'
- Immediately reporting to the Supervisory Authorities when listed persons or organizations are identified and/or when the Funds of such persons or organizations are frozen, as well as in other specific situations stated in AML-CFT Law.

## **MONEY LAUNDERING AND TERRORISM FINANCING**

### **Money Laundering means :**

Money laundering is the practice of making money that was gained through criminal means, such as smuggling weapons drugs etc., look as if it came from a legitimate business activity. Money laundering is generally defined as engaging in acts designed to conceal or disguise the true origins of criminally derived proceeds so that the proceeds appear to have been derived from legitimate origins or constitute legitimate assets.

It includes any act mentioned in **Clause (1) of Article (2)** of Federal Law no. (20) of 2018 of AML/CFT law, UAE.

### **Terrorism financing means:**

The provision or collection of funds, by any means, directly or indirectly, with the intention that they be used or in the knowledge that they are to be used, in full or in part, in order to carry out any terrorist act.



Terrorist financing may not involve the proceeds of criminal conduct, but rather an attempt to conceal either the origin of the funds or their intended use, which could be for criminal purposes. Legitimate sources of funds are a key difference between terrorist financiers and traditional criminal organizations.

Here, provisions of Federal Law no. (7) of 2014 regarding terrorists act may apply.

## Stages of Money Laundering

### i. Placement

This is the first stage of money laundering is known as 'placement', whereby 'dirty' money is placed into the legal, financial systems. After getting hold of illegally acquired funds through theft, bribery and corruption, financial criminals move the cash from its source. This is where the criminal money is 'washed' and disguised by being placed into a legitimate financial system,

#### Examples of Placement

1. Blending of funds.
2. Invoice fraud.
3. Through 'smurfing'.
4. Offshore Accounts.
5. Carrying Small Sums of Cash Abroad.
6. Through Aborted Transactions.

### ii. Layering

The second stage in the money laundering process is referred to as 'layering'. This is a complex web of transactions to move money into the financial system, usually via offshore techniques. Once the funds have been placed into the financial system, the criminals make it difficult for authorities to detect laundering activity. They do this by obscuring the audit trail through the strategic layering of financial transactions and fraudulent bookkeeping.

### iii. Integration

The third of the stages of money laundering is 'integration'. The 'dirty' money is now absorbed into the economy, for instance via real estate. Once the 'dirty' money has been placed and layered, the funds will be integrated back into the legitimate financial system as 'legal' tender. Money laundering shall be regarded as such even where the activities which generated the property to be laundered were carried out in the territory of another Member State or in that of a third country.

## COMPLIANCE OFFICER – DESIGNATION & DUTIES

The company has designated **Mr. Hsamudin Ebrahemi** as Compliance Officer for due compliance of its AML measures. He will act as a central reference point in facilitating onward reporting of suspicious transactions and for playing an active role in the identification and assessment of potentially suspicious transactions.

The compliance officer appointed, have the appropriate competencies and experience and under his/her own responsibility, shall perform the following tasks:

- *Detect Transactions relating to any Crime.*

- *Review, scrutinise and study records, receive data concerning Suspicious Transactions, and take decisions to either notify the FIU or maintain the Transaction with the reasons for maintaining while maintaining complete confidentiality.*
- *Review the internal rules and procedures relating to combating the Crime and their consistency with the Decretal-Law and the present Decision, assess the extent to which the institution is committed to the application of these rules and procedures, propose what is needed to update 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 with senior management remarks and decisions.*
- *Prepare, execute and document ongoing training and development programs and plans for the institution's employees on Money Laundering and the Financing of Terrorism and Financing of Illegal Organisations, and the means to combat them.*
- *Collaborate with the Supervisory Authority and FIU, provide them with all requested data, and allow their authorised employees to view the necessary records and documents that will allow them to perform their duties.*

#### **Powers and Responsibilities of Compliance Officer**

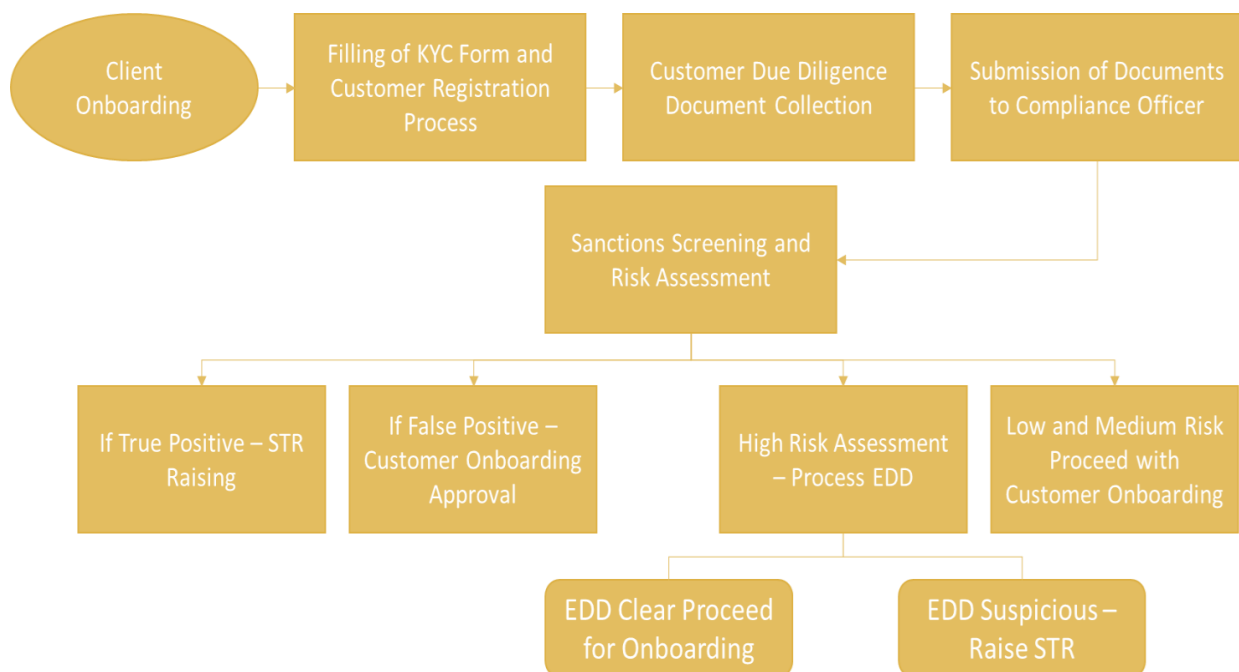
- He is expected and empowered to act independently in carrying out the responsibilities vested in him.
- He should ensure that the entity follows a risk-based policy which is in line with guidelines by the Ministry of Economy.
- He is expected to ensure that KYC of all customers/suppliers is done and is updated time to time.
- He is in-charge of scrutinizing and reporting STRs, also for detection of transactions related to the crimes of ML/FT for reporting suspicions to the FILJ.
- He should ensure the quality, strength and effectiveness of the AML/CFT programme. He also ensures that all transactions and functions of the company are complying with and in conformity with the directives / circulars issued by the authorities from time to time.
- He should inform and report to senior management on the level of compliance and report it to the relevant Supervisory Authority.
- He is responsible for helping to establish and working with senior management and other internal and external stakeholders to ensure that the Company's staff are well-qualified, well-trained, well-equipped, and well-aware of their responsibility to combat the threat posed by ML/FT. They should also be updated with the guidelines issued by Ministry of Economy, Central Bank/FIU any other competent authority time to time.

### **DUE DILIGENCE**

- The Company has undertaken required CDD measures to verify the identity of the **Customer** and the **Beneficial Owner** before or during the establishment of the business relationship or before executing a transaction for a Customer with whom there is no business relationship.

- And in the cases where there is a low crime risk, it will take necessary measures to complete verification of Customer identity after establishment of the business relationship, under the following conditions:
  - (a) The verification will be conducted in a timely manner as of the commencement of business relationship or the implementation of the transaction.
  - (b) The delay is necessary in order not to obstruct the natural course of business.
  - (c) The implementation of appropriate and effective measures to control the risks of the Crime.
- The Company has taken requisite measures to manage the risks in regards to the circumstances where Customers are able to benefit from the business relationship prior to completion of the verification process.

## Customer On-boarding Process



## Customer Due Diligence (CDD) Measures

- CDD will be conducted for every client. CDD measures are comprised of several components, in keeping with the customer's ML/FT risk classification and the specific risk indicators that are identified.
- Generally, these components include, but are not limited to, the following categories:
  - Identification of the customer, Beneficial Owners, beneficiaries, and controlling persons; and the verification of their identity based on documents, data or information
  - Screening of the customer, Beneficial Owners, beneficiaries, and controlling persons, to screen for the applicability of targeted or other international financial sanctions,
  - Obtaining an understanding of the intended purpose and nature of the Business Relationship, its ownership and control structure.

- Monitoring and supervision of the Business Relationship, to ensure consistency between the transactions or activities conducted and the information that has been gathered about the customer and their expected behaviour.
- Scrutinizing transactions undertaken throughout the course of that relationship to ensure consistency.
- Ensuring that documents, data or information collected under the CDD process is kept up-to-date and relevant.

### Enhanced Due Diligence (EDD) Measures

**GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.** will enhance the measures regarding customers identified as high-risk, including the specific categories of customers as provided for in the relevant articles of the AML-CFT Decision, such as politically exposed persons (PEPS) customers associated with high-risk countries.

**GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.** will intensify their measures, specifically by obtaining further evidence and supporting documentation. **GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.** will ask for additional information and evidence from high-risk customers such as:

- Source of funds (revenue) and source of wealth;
- Identifying information on individuals with control over the customer (legal person or arrangement), such as signatories or guarantors;
- Occupation or type of business; d Financial statements;
- Banking references;
- Domicile;
- Description of the customer's primary trade area and whether international transactions are expected to be routine; h Description of the business operations, the anticipated volume of currency and total sales, and a list of major customers and suppliers; and i. Explanations for changes in business activity.

### Requirements for High-Risk Countries

**GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.** shall consider the following measures:

- Increased scrutiny and higher standards of verification and documentation from reliable and independent sources regarding the identity of customers, Beneficial Owners, beneficiaries and other controlling persons;
- More detailed inquiry and evaluation of reasonableness regarding the purpose of the Business Relationship, the nature of the customer's business, the customer's source of funds, and the purpose of individual transactions;
- Increased investigation to ascertain whether the customers or related persons (Beneficial Owners, beneficiaries and other controlling persons, in the case of legal persons and arrangements) are foreign PEPS;
- Increased supervision of the Business Relationship, including the requirement for higher levels of internal reporting and management approval, more frequent monitoring of transactions, and more frequent review/ updating of customer due diligence information.

## **Simplified Due Diligence (SDD) Measures**

**GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.** under certain circumstances and in the absence of a ML/FT suspicion, is permitted to exercise simplified customer due diligence measures (SD) regarding customers identified as low-risk through an adequate analysis of risks.

SDD generally involves a more lenient application of certain aspects of CDD measures, including elements as:

- A reduction in verification requirements regarding customer or Beneficial Owner identification;
- Fewer and less detailed inquiries regarding the purpose of the Business Relationship
- More limited supervision Of the Business Relationship, including less frequent monitoring of transactions, and less frequent review/updating of customer due diligence information,

As per the AML Decision, SDD can be done in the following cases:

1. Identified low-risk customers
2. Listed Companies

## **POLITICALLY EXPOSED PERSONS (PEP)**

PEP is an acronym for Politically Exposed Persons. PEPs are persons with political power who can exercise political influence to carry out business activities and other administrative roles at their discretion. PEPs are most likely to be suspected of bribery and involved in corrupt activities, as they influence the spending of government funds. It is noteworthy that not only the person with the political power but also the family, friends, and close associates are also considered high-risk customers owing to the relationship they share with the PEP.

PEP's definition may differ from country to country, and it's a broad term in which businesses exercise their best judgment to identify a PEP. There are several factors that businesses need to consider in the risk assessment, such as the type of business, the country in which it operates, and the local AML regulations.

Identifying a Politically Exposed Person (PEP) can be a challenging task. The customer identification process is crucial as the exercise can help a business correctly assess the risk of creating a business relationship with PEP. If the identity and connections of the person are not known to the company and without correct risk assessment, mitigation of the risk becomes complex leading to reputational damage.

## Categorization of PEPs

The definition of PEP differs from one country to another. People working in the government at different levels are described as PEPs.

- Members of Parliament, Heads of state – presidents, ministers, heads of departments, mayors, etc. can be categorized as PEP.
- People at the judicial levels, such as judges, are also classified as PEP. But not all judges fall under the PEP category.
- People holding diplomatic positions such as ambassadors and senior positions in the management of government-run organizations are also considered PEP.
- Bank officials in senior positions of national banks are regarded as PEPs.
- Senior officials in the sporting events responsible for organizing events and closing contracts on behalf of the government or ministry are also considered high-risk customers and fall under the PEP category.
- Parents, children, spouses, partners, siblings, and close relatives can also be termed PEPs. So, they are also subject to EDD because they are associated with PEP.
- People with close business relationships with PEP are also considered persons associated with PEPs; people holding joint beneficial ownership or legal arrangements with the PEP are considered high-risk customers. Associates who conduct transactions on behalf of the PEP are also categorized as high-risk customers. UBOs established to provide benefits to the PEP are also considered PEPs.

## Identification of PEPs

- **GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.** follows a robust AML compliance framework. Through this, can accurately assess the risk of different customers. It helps to correctly identify and verify the customer's identity and flag the potential PEP – whether domestic PEPs, foreign PEP or HIOs.
- **GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.** relies on AML screening software, which helps the company to identify and verify customers and their status as PEP or associated with PEP.
- With CDD and EDD processes and continuous monitoring, the company accurately identify PEPs, monitor their status, and transaction with them.
- **GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.** identifies the PEP at the first step of initiating the customer relationship. Also, continuous monitoring is applied, as the PEP status may change over a while.

- It keeps a tab on the PEP status. It helps to assess the risk involved during the customer journey correctly. To assess the PEP status accurately, it tries to get accurate information in real-time.
- PEPs are entrusted with administration responsibilities and wield power to get things done at their discretion. Therefore, **GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.** uses EDD as a powerful method to identify the source of PEP's funds and verify their financial and professional background before becoming a PEP.
- EDD will help make an informed decision regarding establishing a business relationship with people identified as PEPs – they may be close associates, family, or friends of the PEP. Continuous monitoring of the customer profile is also required to detect any changes from the original verification conducted at the time of on-boarding. Often non-profit organizations, charities, etc., are misused to launder money by the PEPs, so the company also verifies the PEPs' connection with such charitable organizations.

## **MAINTENANCE OF RECORDS & THEIR RETENTION**

- **GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.** will maintain all records, documents, data and statistics for all financial transactions and local or international commercial and cash transactions for a period of no less than **five years** from the date of completion of the transaction or termination of the business relationship with the Customer as required by the AML Law.
- The Company will keep all records and documents obtained through CDD measures, ongoing monitoring, account files and business correspondence, and copies of personal identification documents, including STRs and results of any analysis performed, for a period of no less than **five years** from the date of termination of the business relationship or after the completion of a casual transaction or from the date of completion of the inspection by the Supervisory authorities, or from the date of issuance of a final judgment of the competent judicial authorities, all depending on the circumstances.
- The records, documents and data kept shall be organised so as to permit data analysis and tracking of financial transactions.
- The Company will make all Customer information regarding CDD towards Customers, ongoing monitoring and results of their analysis, records, files, documents, correspondence and forms available immediately to the relevant authorities upon request.
- **GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.** maintains the records in an organized fashion so as to permit data analysis and the tracking of financial transactions, and to make the records available to the Competent Authorities immediately upon request.
- All CDD information and transaction records should be available swiftly to Competent Authorities upon appropriate authority.

### Retention Period

**GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.** 's retention period for all records is at least five years, depending on the circumstances, from the date of the most recent of any of the following events:

- Termination of the Business Relationship or the closing of a customer's account with **GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.** ;
- Completion of an occasional transaction (in respect Of a customer with whom no Business Relationship is established);
- Completion of an inspection of the records by the Supervisory Authorities;
- The issue date of a final judgment by the competent judicial authorities;
- Liquidation, dissolution, or other form of termination of a legal person or arrangement.

### Required Record Types

**GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.** retains records which can be classified broadly into the following categories:

1. Transaction Records — This category relates to operational and statistical records, documents and information concerning all (commercial or financial) transactions executed or processed by the Company, whether domestic or international in nature.
2. CDD Records - This category relates to records, documents, and information about customers, their due diligence, and the investigation and analysis of their activities, and can be further divided into sub-categories such as records pertaining to:
  - Customer Information, including account files and business correspondence, and results of any analysis undertaken;
  - Company Information;
  - Reliance on Third Parties to Undertake CDD
  - Ongoing Monitoring of Business Relationships
  - Suspicious Transaction Reports (STRs)

## MONITORING SUSPICIOUS ACTIVITY

The Company has put in place indicators that can be used to identify the suspicion on the occurrence of the Crime in order to report STRs, and will update these indicators on an ongoing basis, as required, in accordance with the development and diversity of the methods used for committing such crimes, whilst complying with what the Supervisory Authorities or FIU may issue instructions in this regard.

In reporting the suspicious transactions, **GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.** confirms to maintain confidentiality regarding both the information being reported and to the act of reporting and make reasonable efforts to ensure the information and data reported are protected from access by any unauthorized person.



## **REPORTING TO FINANCIAL INTELLIGENCE UNIT**

If the Company have reasonable grounds to suspect that a **Transaction, Attempted transaction, or Funds** constitute crime proceeds in whole or in part, or are related to the Crime or intended to be used in such activity, regardless of the amount, they shall adhere to the following without invoking secrecy :

- Directly report STRs to the FIU without any delay, via the electronic system of the FIU or by any other means approved by the FIU.
- Respond to all additional information requested by the FIU.

The Company assures that their managers, officials or staff, will not disclose, directly or indirectly, to the Customer or any other person(s) that they have reported, or are intending to report a Suspicious Transaction, nor will they disclose the information or data contained therein, or that an investigation is being conducted in that regard.

### **Web Reporting Requirements : Dealers in Precious Metals & Stones Report (DPMSR)**

- All **Cash transactions** with individuals equal or exceeding AED 55000.00 need to be reported in the GoAML System.
- Exceptions: (Not to Report) – Any Credit Card /Cheque or Bank Transfer transactions of any amount. Only if Suspicious then to be reported through STR Option in GoAML System.
- All Cash/ International Wire Transfers / Transfers through Exchange Houses or Remittance Companies equal or exceeding AED 55000.00 need to be reported in the GoAML System.
- All Settlements in USD with following qualifications.
- Both Entities having accounts in UAE and transfers done for USD payments.
- USD Settlements done between two Free zones Within UAE, having different bank accounts, and Settlements between Free zone and onshore companies registered in the UAE.

#### **Exceptions: (Not to Report)**

- AED Settlement where both the parties have accounts in same bank in the UAE.
- AED Settlement where both the parties have accounts in different banks in the UAE.
- USD Settlement where both the parties have accounts in same bank in the UAE.
- Trade between related parties Mainland to Free zone having same bank account transactions and Vice Versa.
- Barter transaction (Exchange of Gold)
- Intra Company Transactions
- Transaction not routed through the UAE Bank Account.

## INTERNAL AUDIT

Internal Audit shall ensure compliance with policies, procedures, and controls relating to prevention of money laundering and terrorist financing, including the testing of the system for detecting suspected money laundering transactions, evaluating and checking the adequacy of exception reports generated on large and/or irregular transactions, the quality of reporting of suspicious transactions and the level of awareness of front line staff of their responsibilities in this regard.

A robust and independent audit function is a key component to a well-functioning governance structure and an effective AML/CFT framework. **GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.** confirms to have in place an independent audit function to test the effectiveness and adequacy of their internal policies controls and procedures relating to combating the crimes of money laundering and the financing of terrorism and of illegal organizations. The scope of such audits should include but not be limited to:

- Examine the adequacy of AML/CFT and CDD policies, procedures and processes, and whether they comply with regulatory requirements,
- Assess training adequacy, including its comprehensiveness, accuracy of materials training schedule, attendance tracking and escalation procedures for lack of attendance.
- Review all the aspects of any AML/CFT compliance function that have been outsourced to third parties, including the qualifications of the personnel, the contract and the performance and reputation of the company.
- Review case management and STR systems, including an evaluation of the research and referral of unusual transactions, and a review of policies, procedures and processes for referring unusual or suspicious activity from all business lines to the personnel responsible for investigating unusual activity.

## KNOW YOUR EMPLOYEE (KYE)

Know Your Employee policy should be conducted have the following stages.

- a. Pre- Employment Stage
- b. Course of employment
- c. Employee Conduct

### **Pre – Employment Stage:**

Due diligence in KYE starts at the recruitment stage, to know if the promising candidates are telling the truth. At the initial stage references should be checked; a reference check can be done by the organization or by outsourced agencies. References of a prospective employee - You can verify if there is any criminal conviction; this can be achieved by getting :

- A police clearance certificate from the police station of the last known residences.
- The relieving letter from the previous employer is taken.
- The past employer can be asked to provide few details like; did they really work for that company stated on the CV? Employment credentials such as designation, role, compensation, conduct and reason for leaving will be ascertained.
- How was their conduct of the prospective employee?
- References provided by the prospective employee can be requested to provide information which the prospective employee has stated on the resume' or job application.

- The references given by the candidate shall be contacted & affirmed. (First degree relations should not be hired)
- In case the verification or background check services are provided by a vendor, Company must ensure the standards & procedures the organization applies while conducting the check. Are their standards comparable to yours? Are there procedures reviewed by an independent firm.
- Screening of Employee names against the sanctions list.

### Course of Employment:

Even though the reference checks have been applied, it is advisable to have random checks to ensure that the employee maintains its responsibility to be a trustee of the organization. It is good management practice to monitor your employees' performance and understand what makes them stick, but this routine procedure can also unearth internal threats to your business.

### Employee Conduct:

Signs which could raise a signal for verifying the employees conduct and behavior: -

- **Staff Behavior:** A change in the employee's lifestyle, especially when the spending etc. by an employee sees a drastic change then what an employee at the same level could afford.
- **Credit cards/Loans:** the employees availing frequent loans and credit cards should pose a question for the employer. Too many approvals and NOCs provided to employees can not only lead to defaults but can also cause the organization to be blacklisted for getting further benefits from banks etc.
- **Overzealous nature and relation with select customers :** There could be possibilities of Customers offering bribes and commissions to employees for conducting frauds, embezzlements and money laundering, Frequent checks, and controls on the activities of employees can help detect these activities at an early stage.
- **Timing:** Many a times employees employed in critical areas of operations and accounts have been caught for internal frauds etc. These employees have been reported to have long working hours, coming early before the time to office and sitting till late in office.
- **Compromising on data & system integrity:** employees who have often been reprimanded for misuse of confidential data and systems should be monitored closely for mitigating any risk of fraud.

## EMPLOYEE'S TRAINING

**GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.** has an ongoing employee training under the leadership of the Compliance Officer.

The training includes, *inter alia*:

- How to identify red flags and signs of money laundering that arise during the course of the employees' duties;
- What to do once the risk is identified?
- What are the employees' roles in the company's compliance efforts and how to perform them;
- The company's record retention policy; and

- The disciplinary consequences for non-compliance with the Act.

Means of the training may include educational pamphlets, videos, internet systems, in-person lectures, and explanatory memos. The operations are reviewed periodically to see if certain employees, such as those in compliance, margin, and corporate security, require additional specialized training.

## **CONFIDENTIAL REPORTING OF AML NON-COMPLIANCE**

The Managers, officials or staff, will not disclose, directly or indirectly, to the Customer or any other person(s) that they have reported, or are intending to report a Suspicious Transaction, nor shall they disclose the information or data contained therein, or that an investigation is being conducted in that regard.

## **REVIEW**

The Company conducts a periodic review of the policy. In case of amendment in statutory provisions/ regulations necessitating amendment, the relevant portions of policy shall be deemed to have been modified from the date of amendment in relevant statutory provisions. In such case, the modified policy shall be placed for review by the Board in regular course.

A regular review of the "Compliance Manual" shall be undertaken to ensure that it is functioning as designed. Such a review could be performed by external or internal resources, and should be accompanied by a formal assessment or written report. If and when regulations are amended concerning reporting of suspicious activities, **GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.** will amend the Compliance Manual to comply with those regulations.

### **Scope:**

- Examine the adequacy of CDD policies, procedures, and processes, and whether they comply with internal requirements.
- Perform appropriate transaction testing, with particular emphasis on high-risk operations (products, services, customers, and geographic locations) on sample testing basis.
- Assess training adequacy, including its comprehensiveness, accuracy of materials, training schedule and attendance tracking.
- Assess compliance with applicable laws and regulations.
- Examine the integrity and accuracy of management information systems used in the AML compliance program if any.
- Reviewing policies, procedures, and processes for suspicious activity monitoring.
- Determining the system effectiveness for reports, blacklist screening, flagging of unusual transactions and more.
- Review Suspicious Transaction Reporting (STR) systems, which should include an evaluation of the research and referral of unusual transactions. Testing should include a review of policies, procedures, and processes for referring unusual or suspicious activity from all business lines to the personnel or department responsible for evaluating unusual activity.
- Assess the adequacy of recordkeeping.

## **COMMUNICATION**

The Compliance Officer shall ensure that this policy is communicated to all management and relevant staff including Customers and all concerned.

## **FINES & PENALTIES**

As per Federal Decree – Law (20) of 2018

The Regulator has the authority to impose the following administrative penalties on the financial institutions, designated nonfinancial businesses and professions and non-profit organizations in case they violate the present Decree-Law and its Implementing Regulation:

- a) Warning
- b) Fines of no less than AED 50,000 (fifty thousand dirham) and not more than AED 5,000,000 (five million dirham) for each violation.
- c) Banning the violator from working in the sector related to the violation for the period determined by the regulatory authority.
- d) Constraining the powers of the Board members, supervisory or executive management members, managers or owners who are proven to be responsible of the violation including the appointment of temporary inspector.
- e) Arresting Managers, board members and supervisory and executive management members who are proven to be responsible of the violation for a period to be determined by the Supervisory Authority or request their removal.
- f) Arrest or restrict the activity or the profession for a period to be determined by the supervisory authority.
- g) Cancel the License.

In all the cases, the Regulatory Authority shall publish the administrative penalties through various means of publication from time to time.

## **DISCLAIMER**

- Any employee who has reasons to believe that **GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.** might be or has been exposed to funds from a doubtful source should come forward to management immediately.
- Any employee who is found in violation of the terms of this Policy will be subject to disciplinary action.
- Any employee with direct knowledge of potential or apparent violations of this Policy who fails to report such acts to Company management will also be subject to disciplinary action.
- Any employee who knowingly misleads or hinders an investigation to reported violations of the Policy and any relevant and applicable law also may be subject to disciplinary action.
- Disciplinary actions may risk termination of employment. The same applies to third-parties that are associated with **GHULLAM MAQSUD RASOOLY JEWELLERY TRADING L.L.C.** operations. Third-parties risk having their contracts re-evaluated or terminated.

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NAME :

DESIGNATION :

SIGNATURE

DATE :

## **ANNEXURE**

### **#Glossary**

**CBUAE** : Central Bank of the UAE

**Committee** : National Committee for Combating Money Laundering and the Financing of Terrorism and Illegal Organisations.

**FIU**: Financial Intelligence Unit

**Supervisory Authority**: Federal and local authorities which are entrusted by legislation to supervise financial institutions, designated non-financial businesses and professions and non-profit organizations or the competent authority in charge of approving the pursuit of an activity or a profession in case a supervisory authority is not assigned by legislations.

**Law-enforcement Authorities** : Federal and local authorities which are entrusted under applicable legislation to combat, search, investigate and collect evidence on the crimes including AML/CFT crimes and financing illegal organizations.

**Crime**: Money laundering crime and related predicate offences, or financing of terrorism or illegal organizations.

**Funds** : Assets in whatever form, tangible or intangible, movable or immovable including national currency, foreign currencies, documents, or notes evidencing the ownership of those assets or associated rights in any forms including electronic or digital forms or any interests, profits or income originating or earned from these assets.

**Proceeds** : Funds generated directly or indirectly from the commitment of any crime or felony including profits, privileges, and economic interests, or any similar funds converted wholly or partly into other funds.

**Means** : Any means used or intended to be used to commit an offence or felony.

**Suspicious Transactions**: Transactions related to funds for which there are reasonable grounds to believe that they are earned from any misdemeanor or felony or related to the financing of terrorism or of illegal organizations, whether committed or attempted.

**Freezing or seizure**: Temporary attachment over the moving, conversion, transfer, replacement or disposition of funds in any form, by an order issued by a competent authority.

**Confiscation**: Permanent expropriation of private funds or proceeds or instrumentalities by an injunction issued by a competent court.

**Financial institutions**: Anyone who conducts one or several of the activities or operations defined in the Implementing Regulation of the present Decree Law for the account of /or on behalf of a client.

**Designated Nonfinancial Businesses and Professions**: Anyone who conducts one or several of the commercial or professional activities defined in the Implementing Regulation of this Decree Law.

**Legal Arrangement**: A relationship established by means of a contract between two or more parties which does not result in the creation of a legal personality such as trust funds or other similar arrangements.

**Client** : Any person involved in or attempts to carry out any of the activities specified in the Implementing Regulations of this Decree Law with one of the financial institutions or designated nonfinancial businesses and professions.

**Beneficial Owner:** The natural person who owns or exercises effective ultimate control, directly or indirectly, over a client or the natural person on whose behalf a transaction is being conducted or, the natural person who exercises effective ultimate control over a legal person or legal arrangement

**Transaction:** All disposal or use of Funds or proceeds including for example: deposits, withdrawals, conversion, sales, purchases, lending, swap, mortgage, and donation.

**Registrar:** The entity in charge of supervising the register of commercial names for all types of establishments registered in the UAE.

**Customer Due Diligence (CDD):** The process of identifying or verifying the information of a client or Beneficial owner, whether a natural or legal person or a legal arrangement, and the nature of its activity and the purpose of the business relationship and the ownership structure and control over it for the purpose of this Decree-Law and its Implementing Regulation.

**Controlled Delivery:** The process by which a competent authority allows the entering or transferring of illegal or suspicious funds or crime revenues to and from the UAE for the purpose of investigating a crime or identifying the identity of its perpetrators.

**Undercover Operation:** The process of search and investigation conducted by one of the judicial impoundment officer by impersonating or playing a disguised or false role to obtain evidence or information related to the Crime.

**Wire Transfer:** Financial transaction conducted by a financial institution or through an intermediary institution on behalf of a transferor whose funds are received by a beneficiary in another financial institution, whether or not the transferor and the beneficiary are the same person.

**Shell Bank:** Bank that has no physical presence in the country in which it is incorporated and licensed and is unaffiliated with a regulated financial group that is subject to effective consolidated supervision.

**High Risk Customer:** A Customer who represents a risk either in person, activity, business relationship, nature of geographical area, such as a Customer from a high-risk country or non-resident in a country in which he does not hold an identity card, or a customer having a complex structure, performing complex operations or having unclear economic objective, or who conducts cash intensive operations, or operations with an unknown third party, or operations without directly confronting any other high risk operations identified by financial institutions, or designated non-financial businesses and professions, or the Supervisory Authority.

**Politically Exposed Persons (PEPS):** Natural persons who are or have been entrusted with prominent public functions in the State or any other foreign country such as Heads of States or Governments, senior politicians, senior government officials, judicial or military officials, senior executive managers of state-owned corporations, and senior officials of political parties and persons who are, or have previously been, entrusted with the management of an international organization or any prominent function within such an organization and the definition also includes the following:

- 1) Direct family members (Of the PEP, who are spouses, children, spouses of children, parents).
- 2) Associates known to be close to the PEP, which include:
  - (a) Individuals having joint ownership rights in a legal person or arrangement or any other close business relationship with the PEP.
  - (b) Individuals having individual ownership rights in a legal person or arrangement established in favour of the PEP.

**Targeted Financial Sanctions (TFS):** The term Targeted Financial Sanctions means that such sanctions are against certain individuals, entities, groups, or undertakings, The term Targeted Financial Sanctions



includes both asset freezing and prohibitions to prevent funds or other assets from being made available, directly, or indirectly, for the benefit of individuals, entities, groups, or organization who are sanctioned.

**The Executive Office:** The Executive Office of the Committee for Goods and Materials Subject to Import and Export Control.

**Local Terrorist List:** Terrorism lists issued by the UAE Cabinet pursuant to the provisions of Article (63) paragraph (I) of Federal Law No. (7) of 2014 on Combating Terrorism Offences.

**UN Consolidated List:** A list containing the names of individuals and organizations linked to terrorism, financing of terrorism or proliferation of weapons of mass destruction and its financing, and that are subject to sanctions imposed as per UNSCRs and decisions of the Sanctions Committee, along with information related to such persons and reasons for their Listing.

**Without Delay:** Within 24 hours of the Listing decision being issued by the UNSC, the Sanctions Committee or the UAE Cabinet, as the case may be.