



GOLD
SUMMIT

GOLD SUMMIT'S Money Laundering Policy

Policy Statement

Gold Summit recognises and accepts responsibility for compliance with the money laundering control requirements contained in the relevant statutes, regulations thereto, supervisory requirements and the internal rules (collectively referred to as "regulatory requirements").

Management also recognises the role played by the compliance function in assisting Gold Summit to comply with the applicable regulatory requirements that are imposed. As a result, management has adopted a policy to ensure that it complies with the provisions of FICA and the internal rules applicable to money laundering.

Gold Summit supports the developing national and international commitment to combat money laundering.

To this end, members are required to prevent Gold Summit from being exploited by criminals for the purposes of money laundering activities. As an accountable institution as defined by FICA,

Gold Summit will have to comply and adhere to certain stringent requirements, which include:

- identification of all clients and knowing who they are dealing with;
- record keeping of all this information and documentation; and
- reporting of knowledge or suspicions as required.

Scope

The contents of this policy are the minimum requirements based on applicable legal and regulatory requirements and apply to all employees of the entity including temporary and/or contract workers. These requirements are intended to prevent Gold Summit, our employees and clients from being misused for money laundering, terrorist financing or other financial crime. This Policy establishes the general framework for the fight against money laundering and financing of terrorism.

Regulatory Requirements

Gold Summit Anti-Money Laundering policy complies with all the statutory and regulatory requirements for money laundering control and combating of terror financing as stated in the following statutes and their corresponding Regulations, Exemptions and Guidance notes:

- Prevention of Organised Crime Act, 121 of 1998 ("POCA")
- Financial Intelligence Centre Act, 38 of 2001 ("FICA"); and
- Protection of Constitutional Democracy Against Terrorist and Related Activities Act 33 of 2004 ("POCDATARA")

FICA is South Africa's ("SA") primary anti-money laundering legislation and SA is a member of the Financial Action Task Force ("FATF"). SA Krugerrands applies standards applicable in accordance to FATF's 40 Recommendations and is fully committed to maintaining high levels of integrity, professionalism and ethical behaviour.



Definitions

Accountable Institution: means all businesses or persons as listed in Schedule 1 to the Financial Intelligence Centre Act of 2001 (“FICA”) and includes (but is not restricted to), all listed companies, all estate agents, all insurance companies, all insurance intermediaries and all unit trust management companies. All these aforementioned entities have certain obligations in terms of FICA.

Business relationship: means an arrangement between a client and an accountable institution for the purpose of concluding transactions on a regular basis.

Money Laundering: an act which has or is likely to have the effect of concealing or disguising the nature, source, location, disposition or movement of the proceeds of unlawful activities or any interest which anyone has in such proceeds and includes any activity which constitutes an offence in terms of FICA. In other words, money laundering is the process that criminals use to disguise their ill-gotten gains to make them appear to be legitimate.

Transaction: means a transaction concluded between a client and an in accountable institution in accordance with the type of business carried on by that institution

Single transaction: means a transaction other than a transaction concluded in the course of a business relationship.

Client Identification and Verification

Client identification and verification is important in establishing an effective money laundering control system.

Gold Summit procedures are designed to comply with the regulatory requirements and to obtain information from clients that will provide appropriate knowledge of them. All new and existing clients must be identified and verified before a business relationship may be established or a single transaction concluded, as required in SA Krugerrands internal rules and by FICA.

Identification	All clients must be adequately identified. Gold Summit staff must know who the client is and where they can be found and contacted.
Verification	Client identification must be verified against either the original or true certified copy of the documents requested to open the transact.

Record keeping obligations

The money laundering control records that are required in terms of the regulatory requirements must be kept safe from loss, damage and theft, as specified in the internal rules. Records pertaining to the following need to be recorded and stored:

- The concluding of a transaction with a client whether the transaction is a single transaction or concluded in the course of the business relationship.
- Establishment of a business relationship.

Reporting Obligations

All staff must satisfy any legal obligation to report knowledge or suspicions relating to the proceeds of unlawful activities or money laundering in the required format and within the time frames required by FICA. Where a suspicious activity report has been filed or otherwise reported to the relevant authorities, staff must not notify any person of any matters relating thereto i.e. besides the Money Laundering Control Officer or specifically authorised Gold Summit officials. All reports submitted remain confidential and each staff member is protected.



Failure to report is a criminal offence and upon conviction a person can face a fine up to R10 Million or imprisonment for a period of up to 15 years. In terms of the FIC Act, a person will also be guilty of an offence where he/she ought reasonably to have known or suspected that any of the facts requiring reporting existed and negligently failed to report a suspicious or unusual transaction.

Staff Training

Training of Gold Summit personnel is an integral part of Gold Summit's internal policy and continued compliance with FICA section 43(a). Training takes place as follows:

- Every employee shall receive training on FICA to enable them to comply with the provisions of the act and create an awareness of the internal rules applicable to them
- Gold Summit's internal rules policy clearly documents money laundering and its requirements and is freely available to all staff members
- Changes in legislation will be communicated

Internal Rules

The internal rules of Gold Summit have been documented and made freely available to all employees. Gold Summit follows a risk-based approach to its verification and identification procedures and will take reasonable steps to verify the particulars of a client. The internal rules detail the manner in which these records are to be kept and for what time period. The internal rules document the steps to be taken when determining whether a transaction is reportable and instances where suspicions should be raised. In view of the importance of the requirements referred to above, it is essential that all staff must comply with all requirements contained in the internal rules.

Sponsor of Policy and Approval

This policy is sponsored by the OWNER and is approved by the OWNER.

Responsibilities

Gold Summit is ultimately responsible for money laundering control compliance. Gold Summit executive and management is delegated the responsibility to ensure that all Gold Summit activities comply with regulatory requirements. The primary responsibility of the Money Laundering Control Officer is to assist management to discharge this responsibility, however all staff members are responsible for conducting business in accordance with regulatory requirements and Gold Summit's internal rules.

Disciplinary Action

Any breach of the money laundering control regulatory requirements will be seen in a very serious light. Staff members that do not comply with the Gold Summit's money laundering control policy or its internal rules will be subject to disciplinary action.



Appendix: Synopsis

A. Country Synopsis

Country Info	South Africa is a member of the Financial Action Task Force (“FATF”) and follows high standards in accordance to FATF’s 40 Recommendations.
Applicable Legislation	<ul style="list-style-type: none">• Prevention of Organised Crime Act, 121 of 1998 (“POCA”);• Financial Intelligence Centre Act, 38 of 2001 (“FICA”); and• Protection of Constitutional Democracy Against Terrorist and Related Activities Act 33 of 2004 (“POCDATARA”)
Anti-Money Laundering (AML) Regulatory Body	FICA provides for the establishment of an anti-money laundering regulatory body known as the Financial Intelligence Centre “FIC” and introduces mechanisms aimed at preventing money laundering. FIC deals with all the administration involving money laundering and the financing of terrorist activities. This information is then gathered and distributed to other governing bodies such as the South African Revenue Services “SARS”, The Financial Services Board “FSB” and SAPS “The South African Police Services” who in turn investigate further.

B. Company Synopsis (Gold Summit)

Verification and Identification Measures	All new and existing clients must be identified and verified before a business relationship may be established or a single transaction concluded, as required by Gold Summit’s internal rules and by FICA. Our internal policies and procedures ensure that no anonymous accounts can be opened.
The source of wealth/funds and the level of economic activity of customers.	<p>FICA follows a rules-based approach to client verification and identification and hence there is a set of guidelines used when performing CIV procedures. However, recently more attention has been focused on applying a more risk-based approach when performing Client Due Diligence “CDD” procedures at institution level.</p> <p>Gold Summit is required to identify Politically Exposed Persons “PEPS”. PEPS is the term used for an individual who is or has been in the past entrusted with prominent public functions in a particular country. Gold Summit has implemented risk management systems to determine whether a potential client is a PEP.</p>

C. Regulator Synopsis

Regulators	<p>All Anti Money Laundering provisions are specified in the Financial Intelligence Centre Act, 38 of 2001 “FICA”. The Financial Intelligence Centre “FIC” provides an advisory role, whereby we are regulated and supervised by the following supervisory bodies:</p> <ul style="list-style-type: none">• The JSE Securities Exchange South Africa• The Financial Services Board• The South African Reserve Bank
Accountable Institutions	All Financial Institutions in FICA are identified and classified as an ‘accountable institution’ and hence have to abide by all AML and KYC procedures.