



**ALAYA GOLD L.L.C**

**Sanction Policy and Process**

**Version-1**





## **Sanction Policy and Procedure**

Based on the UAE Cabinet issued Resolution (74) of 2020. Regarding Terrorism Lists Regulation and Implementation of UN Security Council Resolutions on the Suppression and Combating of Terrorism, Terrorist Financing, Countering the Proliferation of Weapons of Mass Destruction and its Financing and Relevant Resolutions.

### **AL AYA GOLD LLC shall always adhere to the below rules and**

#### **Regulation:**

#### **As per section 2 of UAE Cabinet issued Resolution (74) of 2020**

1. For the purposes of implementing the provisions of this decision, AL AYA GOLD LLC will have the following mandate:
  - a) Establish one Local List or more, where it proposes the listing, de-listing or re-listing of terrorist persons and organizations and the updating of such list, whether spontaneously or upon the request of another country, or in case the State has an international obligation to list such persons or organizations.
  - b) Coordinate with other countries to list a terrorist person or organization in their local terrorist lists.
  - c) Propose the listing of terrorist persons or organizations on the Local List to the Sanctions Committee.
  - d) Submit requests for de-listing terrorist persons or organizations from the Sanctions List, when it believes that such terrorist persons or organizations do not or no longer meet the designation criteria, while taking into account procedures and criteria set out in relevant UNSCRs.
  - e) Conduct a regular review of Local Lists in coordination with the Ministry of Justice. The Council is entitled to request any clarifications or document it deems suitable from Law Enforcement Authorities and concerned entities in the State to review such, provided that the period for review does not exceed one year.
2. The Council shall exercise its powers set forth in sub-paragraphs a, b and c of paragraph 1 of this Article in accordance with the rules and procedures set forth in Relevant UNSCRs, whenever there are reasonable grounds for such, irrespective of the existence of criminal proceedings.

#### **As per section Article 11 - Mandate of the Office of UAE Cabinet issued Resolution (74) of 2020**

For the purposes of implementing the provisions of the present Decision, the Office – as a National Coordination Body - shall have the following mandate:

1. Take necessary measures to implement UN Security Council resolutions, Without Delay and without prior notice to the Listed Person, in accordance with the requirements thereof, particularly resolutions related to Terrorism, Terrorist Financing and the Prevention, Suppression and Disruption of Proliferation of Weapons of Mass Destruction and its Financing.
2. Publish the Sanctions List and the updated Local Lists on the Office's website, Without Delay.
3. Notify a Listed Person residing in the State of their Listing, after the completion of the Funds freezing procedures, and provide such Listed Person with the Narrative Summary directly, or with the necessary information on the reasons for their listing, and explain the implications of their Listing on the Sanctions List, the procedures that the Sanctions Committee follows in considering requests for de-listing from the Sanctions List, including the possibility of submitting such requests to the Ombudsperson or Focal Point, as the case may be, in addition to the possibility of using part of the Funds frozen in accordance with the provisions of the present Decision, by making this information available on the Office's website.
4. Receive and process notifications relating to measures taken in implementation of the relevant UNSCR or Local Lists.
5. Receive grievances against Listing on Local Lists, requests for lifting freezing or Other Measures taken against persons with names similar to the names of Listed Persons, in addition to requests for using frozen Funds.
6. Internal coordination and exchange of information between concerned entities regarding the implementation of the provisions of the present Decision, including coordination to develop typology reports on the evasion of freezing and Other Measures, and cooperation with the Financial Intelligence Unit (FIU) in developing red flags at financial institutions and DNFBBPs related to evading freezing and Other Measures.

7. Collect the results of supervision and enforcement measures from Supervisory Authorities related to implementing the provisions of the present Decision and coordinate efforts in this regard.
8. Communicate and engage with FIs, DNFBPs and the public with regards to the implementation of the provisions of the present Decision, including by providing training, outreach and awareness raising in coordination with Supervisory Authorities, in order to enhance effectiveness at the level of receiving notifications from the Office related to the Sanctions List and Local Lists, Without Delay; and issue the necessary instructions on compliance and collect statistics related to the implementation of the present Decision.

**As per section Article 12 - Mandate of the Office of UAE Cabinet issued Resolution (74) of 2020**

1. The Office shall publish Sanctions List and Local Lists by sending them using the means it deems appropriate to Supervisory Authorities, financial institutions and DNFBPs for the implementation of the freezing decision, and to Law Enforcement Authorities for the implementation of Other Measures, Without Delay and without prior notice to the Listed Person.
2. Law Enforcement Authorities and Supervisory Authorities shall provide the Office with any information, if applicable, regarding the outcome of the implementation of the freezing or Other Measures, as the case may be, within five business days from the date of implementation.
3. The Office shall send the data and information received from Supervisory Authorities and Law Enforcement Authorities to the UN Security Council and the Sanctions Committee, as the case may be, through the Ministry.
4. The Office shall send information and data received from Supervisory Authorities and Law Enforcement Authorities regarding measures taken in relation to Local Lists, to the Council.

**As per section Article 13 - Mandate of the Office of UAE Cabinet issued Resolution (74) of 2020.**

The Office shall state, on its official website, procedures for submitting requests for de-listing from the Sanctions List, including the following procedures:

1. Guiding Listed Person as per relevant UNSCRs to submit a de-listing request to the Ombudsperson or Focal Point directly, as the case may be, showing the applicable steps to submit a request as indicated below:
  - a) Submit a request to the Focal Point or the Ombudsperson, as the case may be, to verify such, coordinate with the concerned states and present the request to the relevant Sanctions Committee.
  - b) The Office shall receive from the Ombudsperson or the Focal Point, the additional information request related to the Listed Person's request for de-listing.
  - c) The Office shall coordinate with the concerned authorities it deems appropriate to examine the request for additional information during the period specified by the Ombudsperson or Focal Point and provide them with its observations and to what extent the Listed Person or organization is entitled to be de-listed. The Office may ask any questions or ask for more clarifications from the Listed Person submitting the request and shall respond to any other queries raised by the Ombudsperson or Focal Point.
2. Procedures to lift freezing measures imposed due a false positive
3. Cases where access to frozen Funds is permitted and cases of exemption from Other Measures.
4. Mechanisms for notifying Supervisory Authorities, Law Enforcement Authorities, Financial Institutions and DNFBPs of cases of de-listing or lifting of freezing measures.



**As per section Article 15 - Freezing Funds As per the Sanctions List & Local Lists of UAE Cabinet issued Resolution (74) of 2020.**

1. Any person shall, Without Delay and without prior notice, freeze Funds as per the Sanctions List and Local Lists without limiting such measure to funds that may only be used to perpetrate a certain act, conspiracy, threat or agreement related to terrorism and its financing or WMD proliferation and its financing.  
**The freezing measure shall include the following:**
  - a) Funds owned or controlled, wholly or jointly, directly or indirectly, by the Listed Person or funds owned or controlled, wholly or jointly, directly or indirectly, by a person or organization acting on behalf or at the direction of the Listed Person.
  - b) Funds derived or generated from funds under sub-paragraph (a) of the present Article.
2. Any person must notify the Office of any freezing measures taken pursuant to Paragraph (1), within five business day of the date of the freezing.
3. No person shall make funds available or provide financial or other related services, whether in whole or in part, directly or indirectly, to any of the persons or entities mentioned in paragraph (1) of the present Article, except upon authorization from the Office in line with the provisions of the present Decision, and after coordination with the Council or the UN Security Council or the relevant Sanctions Committee, and in line with Cabinet decisions regarding the issuance of Local Lists, or relevant UNSCRs, as the case may be.
4. In all cases, the rights of bona fide third parties shall be taken into account when implementing any freezing measure.

**As per section Article 16 of UAE Cabinet issued Resolution (74) of 2020.**

1. The implementation of freezing measures pursuant to UNSCRs 1718 (2006) and 2231 (2015) shall not prevent adding to the frozen account any interest, profits or other payments due under contracts, agreements or obligations that arose prior to the date on which the account was subject to provisions of the said resolutions, provided such additions are immediately frozen and reported to the Office.
2. In all cases, procedures set forth in UNSCRs 1452 (2002), 2231 (2015), 1718 (2006) and 2270 (2016) and any successor resolutions must be observed.

**As per section Article 17 of UAE Cabinet issued Resolution (74) of 2020.**

The implementation of a freezing order pursuant to UNSCR 1737 (2006), continued pursuant to UNSCR 2231 (2015) or taken pursuant to UNSCR 2231 (2015), shall not prevent a Listed Person or organization from making a payment due under a contract that was concluded prior to their listing, subject to the following conditions:

- 1- The Office has determined that the contract is not related to any prohibited items, materials, equipment, goods, technologies, assistance, training, financial assistance, investments, brokerage or services referred to in UNSCR 2231 (2015) or any future successor resolution.
- 2- The Office has determined that the payment is not received, directly or indirectly, by any person or organization listed pursuant to Paragraph (6) of Appendix B of UNSCR 2231 (2015).
- 3- The Office has submitted a prior notification to the UN Security Council, including its request to make or receive such payments or to authorize, where appropriate, the unfreezing of funds for this purpose, within ten business days before the issuance of such authorization.



## What is a sanction?

A sanction is a restriction that's imposed on a country, a specific person, a legal entity or an organization. They're used by governments as a non-violent foreign policy tool to fight activities such as financial crime, human rights abuses, the sheltering of international criminals, nuclear weapons development and terrorism.

Sanctions affect institutions such as AL AYA GOLD LLC (and their customers) because they place restrictions and controls on the movement of goods, services and money. We, and our customers, are legally bound to adhere to the sanctions imposed by relevant jurisdictions. Typical restrictions associated with sanctions include:

1. Prohibiting the transfer of funds to and/or from a sanction country and/or Specifically Designated Nationals (SDN)
2. Freezing the assets of a government, entity, individual or resident of a sanctioned country.
3. Prohibiting types of activities.
4. Imposing travel bans.
5. Other financial and diplomatic restrictions.

## What are the penalties for failing to comply with a sanction or embargo?

Infringements of sanctions or embargoes, or dealing with Specially Designated Nationals (SDNs), are regarded as serious offences with severe penalties to match, including seizure of goods, significant fines and even imprisonment.

On top of these penalties, your transactions and your business could be placed at risk. For example, your payments may be confiscated or your funds frozen, restricting your cash flow. You may also be subject to increased due diligence by regulators, financial institutions and counter parties on your future transactions and activities, or financial institutions will refuse to handle transactions on behalf of your company. Ultimately, it's highly likely that your business reputation will be significantly damaged.

## Transactions that we should be wary of?

If you or your business are involved in any of the following transactions, you may be at risk:

- You make a payment to someone who is subject to sanctions or embargoes (SDN).
- You make a payment to someone in a sanctioned country, even if their account is located in a non-sanctioned country.
- The movement of funds or goods in your transaction involves a party that's subject to sanctions or embargoes (for example airlines, banks, shipping vessels and ports).
- Consider transshipments risks. Certain sanctions effect the classification and treatment of goods even if they are just transiting through a country subject to sanction e.g. goods transiting through Iran to a 3rd country destination would be treated as being of Iranian origin from a US sanctions compliance perspective.

## The different types of sanctions

**Multilateral** – These are sanctions adopted by more than one country against another country. They're usually issued by super national bodies such as the United Nations Security Council (UNSC), the European Union or the Arab League;

**Autonomous** – These are sanctions adopted by just one country against another country. They're usually issued by domestic government bodies such as the USA Office of Foreign Asset and Control (OFAC), USA Bureau of Industry and Security (BIS); or Her Majesty's Treasury (HMT) in the UK.

Sanctions aren't always imposed on an entire country; there are various forms of targeted sanctions, including: SDN's.



## **Specially Designated Nationals (SDNs)**

SDNs can be individuals or entities (such as financial institutions, companies, shipping vessels, ports or airlines) and they can be located anywhere in the world.

Authorities designate SDNs for a number of reasons. They may be linked to human rights abuses, nuclear proliferation, terrorism, narcotics trafficking, transnational criminal organizations, or they may support sanctioned regimes.

In most cases, entities that are beneficially owned by or significantly linked to an SDN will also be considered an SDN.

## **Keeping up with changes**

The nature of sanctions and embargoes means that they're subject to frequent and sometimes sudden changes. They can be imposed at any time and by any country, international organization or super national body. In general, the effect is immediate.

All institutions have a duty to ensure that they comply with applicable sanction and embargo regimes. Failing to do so could lead to significant regulatory enforcement action, fines, criminal charges in the UAE or elsewhere, and serious reputation damage.

That's why we, may request certain information about the nature of your business transactions and activities, to determine whether you are complying with current sanction and embargo regimes.

## **Who implements sanctions?**

**UAE** – The Central Bank of the UAE is responsible for the implementation of UN, Arab League and other sanctions and embargoes from time to time within the Emirates.

**European Union** – The EU implements sanctions and embargoes (commonly referred to as 'restrictive measures' in the EU) under the Common Foreign and Security Policy (CFSP) framework. EU sanctions and embargoes apply to all EU member states.

**United Kingdom** – Her Majesty's Treasury (HMT) is responsible for the implementation and administration of international financial sanctions and embargoes in the UK.

**United Nations** – The United Nations Security Council (UNSC) is responsible for implementing United Nations sanctions and embargoes. All member countries under the Charter of the United Nations are obliged to abide by UN sanctions.

**United States** – The United States Treasury Office of Foreign Assets Control (OFAC) is principally responsible for administering and enforcing autonomous US sanctions and embargoes however the Bureau of Industry and Security (BIS) of the U.S. Department of Commerce also administer a number of sanctions in addition to control and licensing of exports from the United States.

## **Major Links to access the Sanction List.**

UN - <https://www.un.org/sc/suborg/en/sanctions/un-sc-consolidated-list>

EU - [http://eeas.europa.eu/cfsp/sanctions/index\\_en.htm](http://eeas.europa.eu/cfsp/sanctions/index_en.htm)

UK - <https://www.gov.uk/guidance/sanctions-embargoes-and-restrictions>

USA - OFAC - <https://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx>

USA - BIS - <https://www.bis.doc.gov/index.php/policy-guidance/country-guidance/sanctioned->



## SANCATION RISK MITIGATION POLICY

At **AL AYA GOLD LLC** we don't deal with any Countries or Individuals who based out of Sanctioned Country or Specially Designated National and Blocked Persons List.

### **Sanctioned Country List:**

The Bureau of Industry and Security (BIS) implements U.S. Government certain sanctions against

- ❖ Cuba
- ❖ Iran
- ❖ North Korea
- ❖ Syria
- ❖ Ukraine
- ❖ Venezuela
- ❖ Myanmar
- ❖ Sudan
- ❖ Crimea

### **Sanctions Risk Mitigation Process**

We have classified the Sanction Risk into categories:

#### **RED CATEGORY**

In regard to Red Category we do not deal with these Entity And Individuals who are categorized in this categories Individuals or Entity based and residing in the following countries Cuba, Iran, North Korea, Syria, Ukraine, Venezuela, Myanmar, Sudan and Crimea.

**Business with the above is not a possibility at any point of time.**

#### **GREY CATEGORY:**

If the individual is from Sanctioned Country however is not listed as a SDN /not listed in any of Listing authority links and has been as resident in the UAE and has proof of residency in the UAE we could consider conducting Business with them after conducting EDD on them and Business activity

#### **PROOF OF RESIDENCY IS CLASSIFIED AS BELOW:**

- All Pages of Passport Copy (to ensure that they have not travelled to Sanctioned Country)
- Valid Visa Copy (Minimum Two Years in UAE)
- Emirates ID Copy.
- Tenancy Contract.
- Utility Bills (minimum 2 Years).

#### **IDENTIFICATION PROCESS:**

We conduct extensive search on the customer who fall under the GREY CATEGORY

- World Check
- Media Search (Adverse media Check)
- KYC Check to ensure Nationality.
- Name Screening on Sanction list from Respective Departments. (Already Included in World Check)



## **Sanction Declaration of AL Aya LLC**

**AL AYA GOLD LLC** will not dealing with the below countries and jurisdiction which fall in High-Risk Jurisdiction, Jurisdiction Under Increased Monitoring with Strategic Deficiencies and UN Sanction regimes with Targeted Financial Sanctions:

### **High Risk Jurisdiction ( Black List)**

1. Democratic People's Republic of Korea (DPRK)
2. Islamic Republic of Iran
3. Myanmar

### **Jurisdiction Under Increased Monitoring with Strategic Deficiencies**

1. Albania
2. Barbados
3. Botswana
4. Burkina Faso
5. Cambodia
6. Cayman Islands
7. Haiti
8. Jamaica
9. Malta
10. Mauritius
11. Morocco
12. Panama
13. Philippines
14. Senegal
15. South Sudan
16. Syria
17. Uganda
18. Yemen
19. Zimbabwe

### **UN Sanction regimes with Targeted Financial Sanctions**

1. Somalia
2. Iraq
3. Congo
4. Libya
5. Central African Republic
6. Yemen
7. South Sudan
8. Mali

**AL AYA GOLD LLC** also confirm that we are not dealing with individuals, entities, groups or undertakings, which fall in "UAETerrorist List" and "UN Nation Consolidated List" available on <https://www.uaeiec.gov.ae/en-us/un-page> .





## AL AYA GOLD LLC Sanction Procedure and Control

According to Article **21 of UAE Cabinet issued Resolution (74) of 2020** For the purposes of implementing the present Decision, **AL AYA GOLD LLC** shall abide by the following:

1. **Register on the Office's website** in order to receive notifications related to new listing, re-listing, updating, or de-listing decisions issued by the UN Security Council, the Sanctions Committee or the Cabinet.
2. **Regularly screen their databases and transactions** against names on lists issued by the UN Security Council, the Sanctions Committee or the Local Lists, and also immediately when notified of any changes to any of such lists, provided that such screening includes the following:
  - a) Searching their customer databases.
  - b) Search for the names of parties to any transactions.
  - c) Search for the names of potential customers.
  - d) Search for the names of beneficial owners.
  - e) Search for names of persons and organizations with which they have a direct or indirect relationship.
  - f) Continuously search their customer database before conducting any transaction or entering into a serious business relationship with any person, to ensure that their name is not listed on the Sanctions List or Local Lists.
3. **Implement freezing measures**, without delay, and without prior notice to the Listed Person, immediately when a match is found through the screening process referred to in paragraph (2) of this article.
4. **Implement decisions to lift freezing measures without** delay, pursuant to Relevant UNSCRs or decisions of the Cabinet regarding the issuance of Local Lists.
5. **Immediately notify the Supervisory Authority** in the following cases:
  - a) Identification of funds and actions that have been taken as per requirements of Relevant UNSCRs or decisions of the Cabinet regarding the issuance of Local Lists, including attempted transactions.
  - b) Detection of any match with listed persons or entities, details of the match data and actions that have been taken as per the requirements of Relevant UNSCRs and Local Lists, including attempted transactions.
  - c) If it was found that one of its previous customers or any occasional customer it dealt with, is listed on the Sanctions List or Local Lists.
  - d) If it suspects that one of its current or former customers, or a person it has a business relationship with is listed or has a direct or indirect relationship with the Listed Person.
  - e) No action has been taken due to a false positive, and the inability to dismiss such false positive through available or accessible information.
  - f) Information relating to funds that have been unfrozen, including their status, nature, value and measures that were taken in respect thereof, and any other information relevant to such decisions.
6. **Establish** and effectively **implement internal controls and procedures** to ensure compliance with the obligations arising from this Decision.
7. **Establish** and implement **policies and procedures** that prohibit staff from, directly or indirectly, informing the customer or any third party that freezing or any Other Measures shall be implemented in accordance with the provisions of this Decision.
8. **Cooperate** with the Office and the **Supervisory Authority** in verifying the accuracy of submitted information.