

APPENDIX TO FORM 2
CONDITIONS SUBJECT TO WHICH
AUTHORISATION TO POSSESS, SELL OR EXPORT GOLD IS GRANTED

- (i) Upon every purchase of gold, a dealer shall deduct and pay royalty and income tax to the Board bi-weekly except that a dealer shall not be liable to pay income tax in respect of gold purchased from a company.
- (ii) A dealer shall maintain proper records of every transaction in a book kept by him for that purpose stating the date of the transaction, the amount of gold purchased, the price thereof and the amount exported, the name of the person from whom the purchase was made, his dredge number or shop keeper's licence number, as the case may be, claim number, gross value of gold, royalty and taxes deducted and such records shall be kept for a period of five years and shall be produced for inspection by any person authorized by the Board.
- (iii) Royalty and income tax shall be calculated on the prevailing price of gold as based on second London fix which will be made available by the Board.
- (iv) Calculation of royalty shall be based on an average purity of 92%.
- (v) Subject to the prior certification of the approval on the Customs documents by the Board of every export that royalty and income tax have been paid in respect of gold to be exported, a dealer shall in exporting gold comply with all customs laws and procedure.
- (vi) The Board shall undertake reconciliation between purchases and export to ensure that a dealer does not export more than the amount of gold purchased (plus any declaration of production of gold in the case where a dealer is also producer).
- (vii) Every dealer shall observe proper occupational health and safety standards in the conduct of his business.
- (viii) Every dealer shall permit a duly authorized officer to enter the premises of the authorized dealer at reasonable times to inspect records referred to in paragraph (ii).

Additional Conditions

Anti-Money Laundering and Countering the Financing of Terrorism

- (ix) The Minister responsible for Finance, who is given the authority by the Anti-Money Laundering and Countering the Financing of Terrorism Act 2009 (AML/CFT Act), appointed the Guyana Gold Board as the Supervisory Authority of all licensed dealers, who conduct the business of buying or selling of gold bullion. Such dealers are categorised as reporting entities within the meaning of the AML/CFT Act and are responsible for the following requirements:

- a) A dealer shall establish and verify the identity of all customers when establishing a business relationship or conducting any transaction.
- b) A dealer shall pay special attention to complex transactions, unusual transactions and unusual patterns of transactions, which are inconsistent with the profiles of the customer. In relation to such transactions or business relations a dealer shall verify the background and purpose of the transactions and record its findings in writing and upon request make its findings available to the FIU or the competent authority and statutory auditors.
- c) A dealer shall monitor its business relationships and the transactions undertaken throughout the course of the relationship to ensure that all transactions are consistent with customers' profile.
- d) A dealer shall establish and maintain records of all transactions and business correspondence for a period of at least seven (7) years from the date the first relevant transaction was completed or termination of business relationship whichever is the later.
- e) Whenever a dealer suspects or has reasonable grounds to suspect that gold, a transaction, or attempted transaction are connected to the proceeds of criminal activity, money laundering, terrorist financing he/she shall not later than three (3) days after forming that suspicion make a report to the Financial Intelligence Unit in a form as the Director, may approve.
- f) A dealer shall report to the Financial Intelligence Unit when they engage in any transaction equal to or above two million dollars.
- g) Where a dealer is unable to obtain the information as required the dealer shall consider making a suspicious transaction report.
- h) A dealer shall appoint a compliance officer who shall be responsible for ensuring the dealership's compliance, in its role as a Reporting Entity, with the requirements of the AML/CFT Act.
- i) A properly structured AML/CFT Policies and Procedures manual shall be established and maintained.
- j) Conduct independent auditing to test the AML/CFT systems implemented.
- k) Allow its supervisory authority, the Guyana Gold Board, to examine and supervise its operations for the effective compliance with the obligations of the AML/CFT Act.

Accounting

- (x) In keeping with the powers vested in the Board under Section 9 (1) of the Guyana Gold Board Act, Chapter 66:01 to strengthen conditions one to eight (i to viii) above, upon which the dealer is to be granted authorization to possess, sell or export gold, the following **accounting** records are required to be maintained **without fail**:
 - a) Bank Account established for the **sole** purpose of maintaining/recording monies received from dealing and trading in gold, including all supporting documentation for deposits, withdrawals, payments and wire transfers;
 - b) Supporting documentation to record the injection of any new capital into the business;
 - c) Receipt books;

- d) Cash Books;
- e) Supporting expenditure records;
- f) Gold Stock Account;
- g) Where the dealer advances monies or supplies goods on credit to a miner in consideration of payments being made with gold won or obtained in the course of prospecting for, exploiting and processing gold and precious stones he shall without fail establish and maintain forthwith a ledger that details:
 - i. The amount of money advanced and/or;
 - ii. The quantity, value and description of the goods supplied;
 - iii. The amount of gold received by him as payment in consideration for the advance made;
 - iv. Evidence of the Board being informed of such a transaction;
- v. Evidence of sale of gold received under such circumstance;
- h) Declaration of any other business interest along with supporting documents to substantiate same;
- i) Annual financial statements of the gold dealership, which should include:
 - i. Statement of Income and Expenditure;
 - ii. Balance Sheet detailing assets, liabilities, and owner's equity;
 - iii. Cash Flow Statements; and
 - iv. Related Accounting Policies and Accounting Notes;
- j) Any other relevant document(s) that the Board may deem necessary.

General

- (xi) A dealer shall at least bi-weekly submit to the Board an extract of the dealers, transactions in the Forms attached.
- (xii) The number of weighing scales used in the gold trade at every location of the dealership **must** be declared by each dealer on or before 1st day of February and 1st day of August of every calendar year, giving brand names, model numbers, serial numbers and capacity and a copy of the valid "Verification Certificate" issued by the Guyana National Bureau of Standards (GNBS), in support of each scale, should be forwarded to the Guyana Gold Board no later than the 28th day of February and 28th day of August of each year of operation. In addition, each weighing scale at all times is expected to properly display the GNBS "Verification Seal."
- (xiii) Every container with gold for export shall be constructed in accordance with the specification of the Board and shall be sealed at the Cheddie Jagan International Airport or other port of entry as the Board shall issue a certificate specifying the weight of the gold in the container.
- (xiv) Prior to the export of any gold the Board shall through its authorized representative inspect the authenticity of the seal and no gold shall be exported before it has been inspected and written approval given for its export.
- (xv) Any gold to be exported shall be sealed within the preceding twenty-four hours period after the presentation of the relevant documents to Customs and Immigration authorities for the loading of the gold on the aircraft.

- (xvi) Within the period hereinafter specified, in respect of gold to be exported, each dealer shall submit to the Board the following documents-
- a) all customs form, within fourteen (14) days;
 - b) memorandum of out-turn from refinery, within one month;
 - c) Bill or certificate of sale or sworn affidavit that the gold has not yet been sold, within one month.
- (xvii) Export of gold shall not be approved, and gold shall not be exported until royalties and taxes in respect thereof have been paid.
- (xviii) Gold may be sold by a dealer to the Board at the Board's prevailing price at the time of the sale provided that the gold sold is smelted gold.
- (xix) Every dealer should upon request provide the names and police clearances of persons employed by the Dealership including agents.
- (xx) A dealer who breaches any condition of this licence may be sanctioned in accordance with section 23 of the Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Act of 2009 or charged under section 23 of the Gold Board Act.