

Money Laundering, Terrorism and Proliferation Financing Risk and Control Module for Dealers in Precious Metals and Stones

Dealers in precious metals and stones are attractive to organised criminal networks because they trade in high-value, easily portable and globally recognised commodities that can be quickly converted into cash or moved across borders with limited traceability.

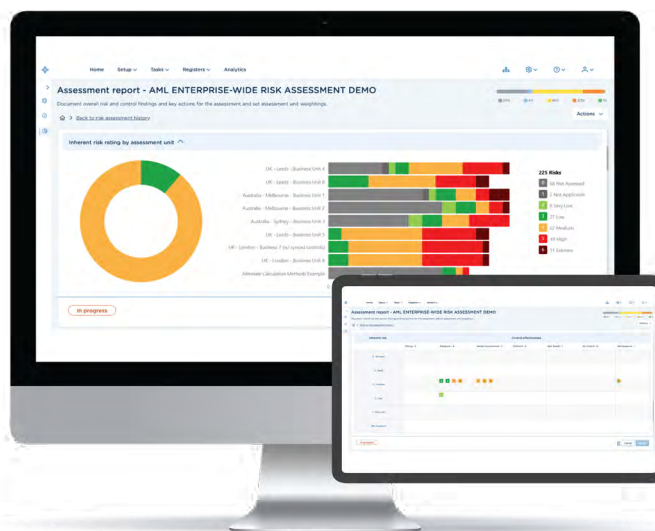
Criminals may exploit these businesses through cash purchases, trade-based money laundering or the use of intermediaries and front companies to disguise the source and ownership of illicit funds. To mitigate these risks, it is essential that dealers in precious metals and stones maintain a robust, enterprise-wide money laundering, terrorism and proliferation financing risk assessment framework.

By systematically identifying and assessing their exposure to financial crime risks and by evaluating the design and operational effectiveness of their mitigating controls in a manner appropriate and proportionate to their nature, size and complexity, they can enhance compliance, protect their reputation and uphold the integrity and transparency of the precious commodities trade.

About Arctic Intelligence's Risk Assessment Platform

Arctic Intelligence's [Risk Assessment Platform](#) can be used by smaller reporting entities out-of-the-box with standardised risk and control libraries or configured by medium and larger enterprises to suit any enterprise risk management framework.

Our multi-award-winning platform is highly-configurable and can be tailored to suit your methodology, risk indicators, applying risk and/or control weightings as appropriate, with a full audit trail and real-time data aggregation of individual business lines or consolidated across enterprises.



Play Video Demo
Digitisation

Play Video Demo
Automation

Play Video
Dealers in Precious Metals and Stones

Who is this risk and control module designed for?

The money laundering, terrorism and proliferation financing risk and control module contains a library of risks, controls and control tests designed specifically for different types of Precious Metal and Stone Dealers:

- ✓ Bullion Dealers
- ✓ Bullion Investment Companies
- ✓ Diamond and Gemstone Dealers
- ✓ Gem Merchants
- ✓ Gold Traders
- ✓ Jewellery-Grade Metals Dealers
- ✓ Metal Refiners and Assayers
- ✓ Precious Commodities Traders
- ✓ Silver and Platinum Dealers
- ✓ Wholesale Gem Suppliers

What designated services are covered under AML/CTF laws?

These laws apply to your business if you provide services related to:

- ✔ Buying, selling or importing/exporting precious stones
- ✔ Buying, refining or reselling raw or scrap precious metals
- ✔ Buying or selling precious metal or stone items exceeding \$10,000 (or equivalent)
- ✔ Buying or selling precious metals (bullion, gold, silver, platinum) for cash or value transfer
- ✔ Dealing in precious stones or jewellery made of such stones/metals when transacted above threshold
- ✔ Facilitating high-value sales of precious metals/stones through online channels

What's included in the risk and control module?

Each of our expert-designed risk modules contain an Enterprise-Wide Risk Assessment, a Product Risk Assessment and a Country Risk Assessment containing hundreds of risk indicators and risk factors, grouped under different risk categories and risk groups.

In addition to a fully comprehensive risk library, our module also contains a library of controls and control tests that you can use to assess the design and operational effectiveness of your control environment.

Our content modules can be used out-of-the-box, easily modified to suit your requirements or you can simply build and import your own risk and control content. We can support implementation directly or through our growing advisory network.

What's the structure of the risk and control module?

Environmental Risk





External Threat Environment

- ✔ **Exposure to External Risks**
Higher Risk Environments; Higher Risk Relationships and Higher Risk Regulatory Environments.





Internal Threat Environment

- ✔ **Exposure to Internal Risks**
Higher Risk Business Operations; Governance and Oversight; Program Alignment to ML/TF/PF Risks; Business Location Risks; Business Activity Risks; Employee Risks and Outsourcing Risks.







Customer Risk

-  **Customer Base Profile**
Customer Type (Individuals and Entities); Customer Location and Changes in Customer Base Profile.
-  **Customer Location Risk**
Customer Location Distribution and Changes in Location Profiles.
-  **Customer Legal Form Risk**
Customer Distribution by Customer Type and Higher Risk Customer Types.
-  **Customer Industry / Occupation Risk**
Customer Distribution by Industry / Occupation.
-  **Politically Exposed Person (PEP) Risk**
PEP Distribution and Changes in PEP Profiles.
-  **Customer Activity Risk**
Politically Exposed Persons, Sanctions Risk or Proliferation Financing Risk, Customer Behaviours, Profiles and Activities; Customer Risk Profiling and other Risk Factors.

Industry Red Flag Risk

-  Customer Behaviour and Due Diligence Evasion
-  Ownership and Identity Concealment
-  Transactional Red Flags
-  Unusual of complex business structures

Product and Services Risk

-  Buying, selling or importing/exporting precious stones.
-  Buying or selling precious metals (bullion, gold, silver, platinum) for cash or value transfer.
-  Buying, refining or reselling raw or scrap precious metals.
-  Dealing in precious stones or jewellery made of such stones/metals when transacted above threshold
-  Buying or selling precious metal or stone items exceeding \$10,000 (or equivalent)
-  Facilitating high-value sales of precious metals/stones through online channels

Channel Risk



Direct Channel Risk

Non-Face-to-Face Onboarding.



Indirect Channel Risk

Use of third-parties to onboard customers.

Transaction Risk



High Risk Transaction Types

Higher Risk Transactions; Transactions involving Third-Party Intermediaries and Customer Behaviours related to Transactions.

Country Risk[^]



Higher Country Risk

Exposure to higher risk customers; Residency, Nationality or Citizenship (Individuals) and Country of registration, incorporation, domicile or operating in (Entities).

[^]Our separate country risk model contains country risk ratings generated for over 240 countries and territories.

Key Features

To help manage your enterprise-wide risks, whatever the risk domain you're assessing



Highly configurable so you can tailor the platform to suit your needs



Digitise and automate by ingesting data via API or file upload



Import your own risk and controls or use our expert-built risk domains



Track, monitor and report on actions, issues and incidents



Flexible risk methodology, tailored to your risk-based approach



Real-time dashboards and analytics, with exportable reports



Auditable workflow process for conducting risk analysis and controls assessment



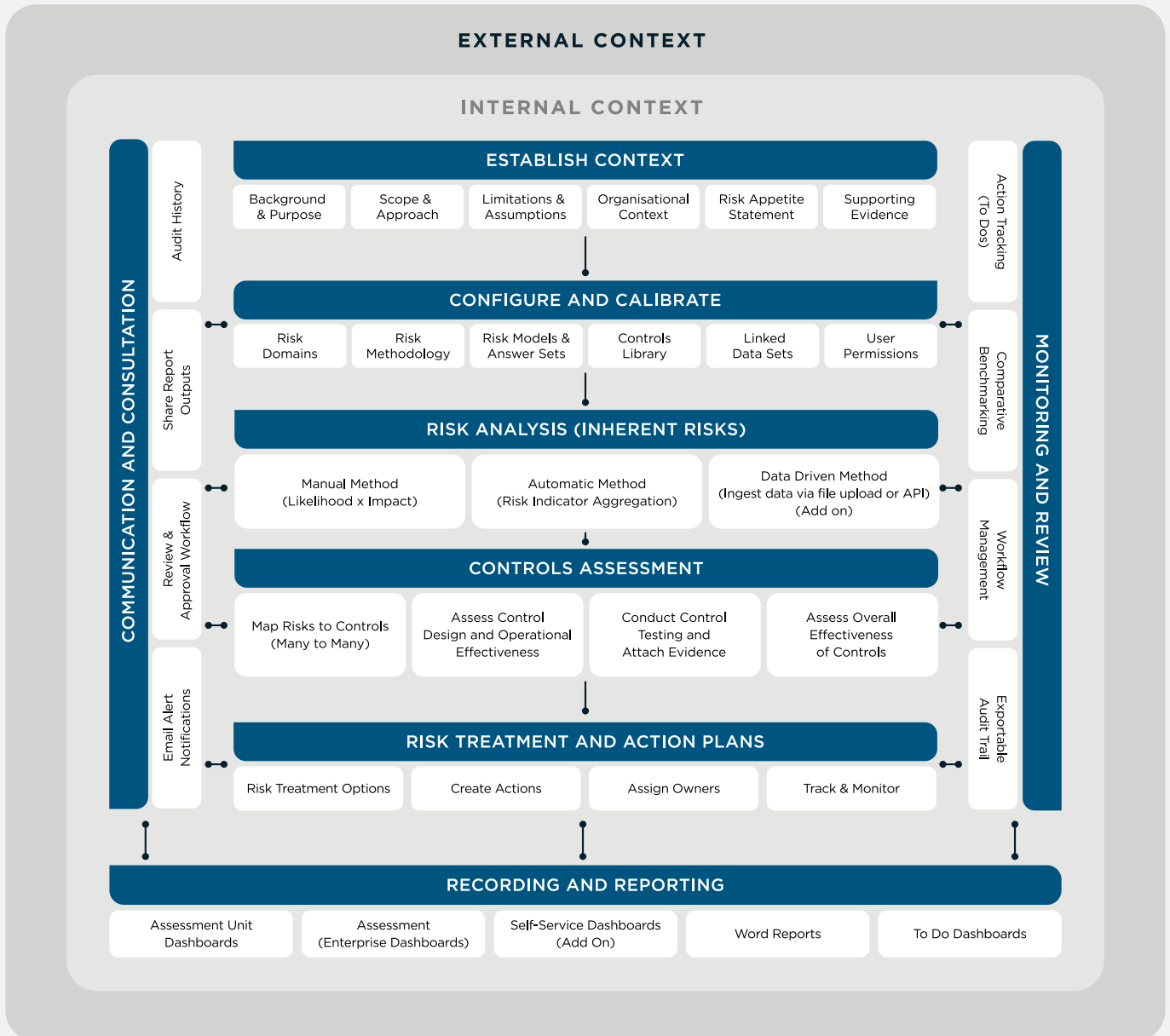
Fully hosted in a secure cloud with dedicated support

Why choose the Risk Assessment Platform?

- Fully configurable risk analysis and controls assessment platform
- Automate risk assessments by ingesting data, improving efficiency
- Expert-built content modules with hundreds of risks and controls
- Real-time analytics, approval workflows and fully auditable
- Digitise spreadsheet-based approaches, improving quality
- Save time and money, reducing compliance costs

How it works

The diagram below visualises recognised industry best risk assessment practices overlaid against the features within the Risk Assessment Platform that supports these processes.



Companies we've helped

APAC



EMEA



AMERICAS



Our customer footprint

About Arctic Intelligence

Arctic Intelligence is a multi-award-winning RegTech firm that specialises in financial crime risk and controls risk management software to help regulated businesses to identify, assess, mitigate and manage financial crime.



Compliance. The smart way.

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