DOWA METALS & MINING AMERICA

Dowa Metal & Mining America Inc.
Enhancing BSA/AML/CFT to AML/CFT/SCDD Compliance Program
LBMA/LPPM/OECD

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DOWA METALS & MINING AMERICA

PMD/DNFBP/Non Banking Financial Institution
Responsible Sourcing Supply Chain Due Diligence & Traceability

AML/CFT

- Domestic/International Law/Policies
- State/Local Rules/Regulations
- International Organizations
  - **FATF**
  - **OECD**
- Associations/Markets
  - **LBMA**
  - **LPPM**

OECD Annex II

- UN Human Rights Principles
- Policies Support Resilient, Inclusive & Sustainable Growth.
- **CAHRA** - Severe HR Abuses
- **ML/TF**/Bribery/Corruption/Fraud
- **ESG**
- Associations/Markets
  - **LBMA**
  - **LPPM**

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Pillars - Framework - Guidance
Different Language – Same Principles
Different Focus Risk -Audit Points-Communication

AML/CFT 4 Pillars

1. Risk Based **CP** & Internal Controls -to Detect Prevent **ML/TF** & Violations Eco Sanctions
2. **AML/CFT CO.**
3. Ongoing Training.
4. Independent Testing.

OECD 5SF

- Establish Strong Mgt Systems. P1-4
- Identify, Assess & Prioritize Risks. P1
- Manage Risks . P1
- Audit Control Points. **P4**
- Communicate & Report on **DD P1**

LPPM V5

- OECD Guidance. P1-4
- Manage **CCS** Risks. P1
- Site Visits -HR CCS. P-1
- SCDD w/Related Companies. P1
- Highlighting Theft.
- **ESG.**
- Membership & Good Delivery - Refiners.

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Focus, Requirements & Terminology
Regulator Vs Principles Vs Good Delivery

AML/CFT

Risk Based **CP – CRA/CRR**

Confidential – to **DOT - FinCEN**

All Criminal Violations-**ML/TF**

Commitment – Enforce **CP**

Employee Respons/**SAR**

Independent Audit

OECD Annex II

Resp Minerals Sourcing

Publicly Report-Conf/Bus

CAHRA/TG3/HR/Armed Groups, Security, Bribery, Fraud/Tax/ML

Commitment – Public

Stakeholder Griev/**WB**

3rd Party Independent Audit

LPPM V5

Resp Sourcing/**SC** Policy

Publish Policy Commitment

HR/Labor/War/Theft/**ESG**

Commitment – Contracts, Public

Stakeholder Griev & **WB**

LPPM Approved Auditor

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DMMA AML/CFT CP
Enhanced to AML/CFT/SCDD CP

Existing CP

- Risk Based **CP** & Internal Controls -to Detect Prevent **ML/TF** & Violations Eco Sanctions
- **AML/CFT CO**
- Ongoing Training
- Independent Testing

Verbiage

UN Human Rights Principle

OECD Annex II Lanuague/5SF

LPPM RPG5 Checklists - Theft

ESG –CP & CODE

Legislative Framework

Dodd Frank Act/EU Conflict Minerals Legislation, EU/UK Modern Slavery Act, etc.

Tie Up/Downstream **DG/NC** & **CCS SCDD & SCTS**

Include Criteria

CRA and **CCS** Risk Rating

OB Questionnaire

CCS Acknowledgement

Site Visit Checklists

CIP/KYC Initial, Ongoing **CCS DD/EDD**) Internal Procedures

Training

Create & Publish **RS** Policy

LPMA/LPPM Cert Auditor-Publish Assurance & Reports

DOWA NETWORK US OPERATIONS
Overlap in SCDD/SCTS

DMM America Inc. Burlington, NJ

- Onboarding **CCSs**
- Through **CDD, EDD, SCDD/SCTS**
- Purchase of **CC**/Materials
- Delivery Details to **NPGM USA**
- Sells Upward to **DMM**
- Payment to Supplier

NPGM USA Inc. Pottstown, PA

- Receive **CCs**/Materials from **CCSs** or their Representatives
- Conduct **SCDD**
- Process Materials for Sampling
- Assays/Test for **PGM**
- Provide Results to **DMMA**
- Ships to Japan for Final Assay, Smelting & Refining/**SCTS**

DOWA METALS & MINING AMERICA

DOWA Metals & Mining Co., LTD (DMM)
LBMA/LPPM/OECD

DMM Mining Operations

- Japan (HQ)
- Offices in Canada & Mexico & Thailand for Zinc Processing
- Mines/Purchases Mined Materials from Central/North/South America & Oceania
- Japanese Law/Regulations
- **UN**
- **OECD**
- **LBMA**
- Dodd-Franks
- **FATF**

DMM PGM Recycling Operations

- Japan (Domestic & Asia)
- Offices Germany, Spain & Czech Republic (Europe)
- **G/NC NPGMK** (South Korea)
- US – NJ & PA
- **BSA AML/CFT/SCDD**
- **UN**
- **OECD**
- Dodd-Franks
- **LPPM**
- **FATF**

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Questions/References

- U.S. -31 CFR Part 1027 and **FinCEN** guidance for **PM**
- U.S. -Section 1502 of U.S. Dodd Frank Act
- U.S. – Trafficking Victims Protection Act.
- **EU** Conflict Minerals Legislation Europe
- **UK** Modern Slavery Act.
- CN – Fighting Against Forced Labor and Child Labor in Supply Chains Act.
- U.S. - Section 307 of the Tariff Act of 1930
- U.S. 19 USC 1307 Uyghur Forced Labor Prevention Act –
- OECD 5SF -OECD DD Guidance for Responsible Supply Chain of Minerals from **CAHRA**s and High-Risk Areas (2016).
- **LPPM RPG5** for Mined and Recycled Materials.
- **LBM RSP**.
- London Metal Exchange (**LME**) Responsible Sourcing of LME Listed Brands (**RSLLB**) and the Copper Mark's Joint Due Diligence Standard (**JDDS**).
- Environmental, Social and Corporate Governance (**ESG**).