



LBMA

# A GOLDEN FUTURE FOR INDIA

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**India Gold Conference 2021**

**Ruth Crowell, Chief Executive**

12<sup>th</sup> November 2021



# AGENDA

**01** Historic Moment for India

**03** Responsible Sourcing

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**02** India & LBMA Good Delivery

**04** India – International Bullion Centre

# UNIQUE MOMENT FOR THE INDIAN GOLD MARKET

**Golden Opportunity for  
the World**

**“Find a business case that works for India AND  
brings the world to India”**

# ADVANCING METAL STANDARDS

## London Good Delivery List of Approved Refiners



Guaranteeing metal  
quality in the global  
OTC market



The world's pre-  
eminent refiners of  
gold and silver



The de facto  
standard trusted  
around the world

# GOOD DELIVERY ACCREDITATION

Average Application Time: Six Months

**Non-technical criteria that must be satisfied before accepting an application for assessment**

Details of Owners and Directors

Tangible net worth – £15 m

In business for 5 years

Refined production – 10 tpa for gold (50 tpa for silver)

Operating History – 3 years

Responsible Sourcing Policy & Audit

**Technical assessment – two parts**

## **Bar test**

11 bars inspected in London;

5 bars tested by each of two referees (double blind)

## **Assaying test**

24 gold reference samples

(10 for silver)

# ADVANCING ETHICAL SOURCING STANDARDS

## LBMA Responsible Sourcing Programme



Mandatory for ALL  
LBMA Good Delivery  
List Refiners



Annual Independent  
Auditing and Public  
Reporting



Building Global  
Demand for  
Responsible Sourcing

# RESPONSIBLE GOLD GUIDANCE, VERSION 9: KEY CHANGES



The responsible sourcing of **recycled gold**: clarity on due diligence expectations



The **elimination of cash** transactions except for ASM where transactions will require approvals.



Provision of support for **responsible ASM** measures to create economic & development opportunities.



Clarity on **Origin of material**. Integrated approach to risk assessment & strengthened due diligence process.



Further detail on **ESG risk assessment**



**Risk mitigation** requirements clarified & aligned with OECD due diligence guidance.



Auditor independence & **audit quality**: rotation of auditors every 10 years & annual assurance checks.



Mandatory conformance with **Disclosure guidance** to promote better reporting practices.

# GOLD INTEGRITY

## Digital Chain of integrity



### What's the scope?

- Gold Supply Integrity throughout the entire value chain
- For ALL GDL refiners' products



### Three main risks

- Where does the gold come from?
- Who has traded it?
- Is it counterfeit? Is it really gold AND really from an LBMA refiner?



### Tools to address the risks

- **Security feature:** addresses counterfeit & acts as a digital passport
  - Characteristics include; Robustness, Readability and Longevity.
- **Database:** tracks who trades it & verifies the passport



# INTERNATIONAL BULLION CENTRES

## Building leverage to eliminate gold laundering

### IBC RECOMMENDATIONS



Responsible sourcing of recycled gold

Eliminating cash transactions

Support ASM

### VALUE CHAIN ACTORS



National Authorities

Civil Society

Other Industry Bodies

### Next Steps



IBC Information Sharing & Gap Analysis

LBMA review of the developments in each centre.  
Developing a methodology

# INTERNATIONAL BULLION CENTRES

## Building leverage to eliminate gold laundering



### Engagement with the Centres

Since the launch in November 2020, **LBMA has had good and ongoing engagement** with the International Bullion Centres. Across the different Centres, LBMA has met with a variety of governmental and industry bodies.



### OECD Intergovernmental Meeting

The OECD hosted an **Intergovernmental Meeting** for the Centres in May to promote information sharing amongst the group. FATF and LBMA presented their opening remarks.

**As a result of the Meeting, the Centres have committed to continuing working together to improve responsible sourcing standards.**



### Financial Action Task Force (FATF)

Since the start of the IBC work, **LBMA has had increased dialogue with FATF**. LBMA has recently provided a response to the FATF report on Money Laundering from Environmental Crimes which was made public in July 2021.



### Update

LBMA are consulting with industry and defining next steps in the coming months.

LBMA are engaging with the IBC to assess their progress with the five key recommendations.



LBMA

# THANK YOU

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