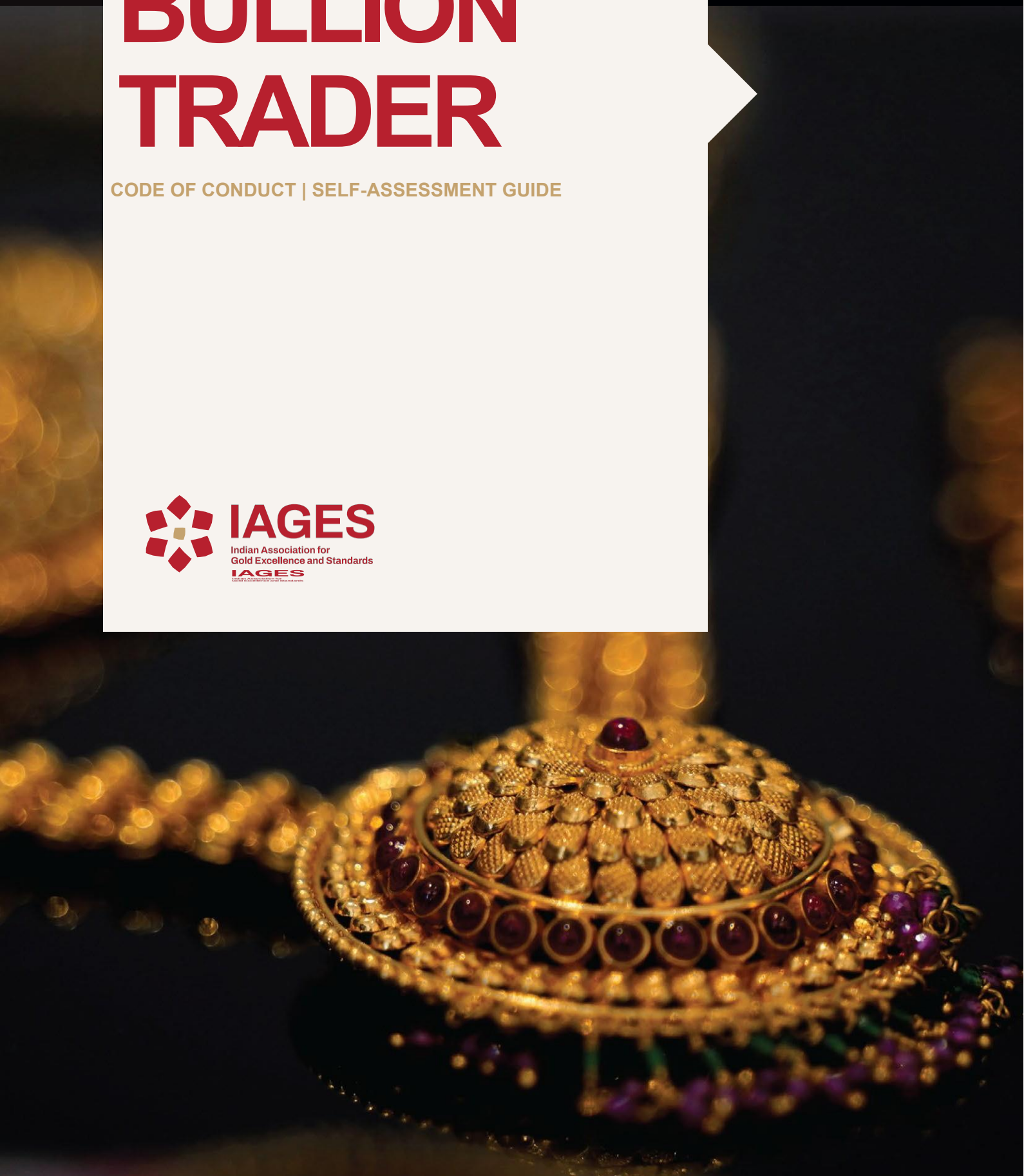
BULLION TRADER

CODE OF CONDUCT | SELF-ASSESSMENT GUIDE

IAGES
Indian Association for
Gold Excellence and Standards



Welcome to the in-depth guide for Bullion Trader.

The first part - The Code of Conduct will help you understand and adapt to the best practices.

The second part - The Self-Assessment Guide will help you identify areas of improvement through a comprehensive questionnaire.

We hope that with this guide by your side, you can embark on a glorious journey and set a new benchmark in the gold industry.

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Introduction

Introduction and structure of the Code of Conduct document

This Code of Conduct document is aimed at providing high-level guidance for Bullion Trader. The Code of Conduct includes sound practices, additional best practices and implementation guidance for Bullion Trader gold products.

Sound practices capture healthy practices which should be followed by any provider (across all sizes, complexity, etc.).

Additional best practices are aimed at larger/mature providers who wish to adhere to even higher standards of practice.

Implementation guidance offers broad steps to deploy sound practices/ additional best practices at an organisation. The guidance is directional in nature and is not exhaustive. Practical application of these practices will require detailed guidance that is specific to the organisation.





Scope & Objectives

Scope & Objectives

Gold is an important asset class in India with an annual demand of ~800–900 tonnes[1], making India the world's second largest consumer of gold. Gold holds a unique place in India, being culturally and socially significant[2], and is an important savings asset[3] with its consumption driven largely in the form of jewellery[4], investment bars and coins.

While Indians have a strong affinity for investment in gold, individuals seeking to invest in gold face several challenges in doing so, particularly around price transparency and quality assurance. As the market is fragmented and there is no overarching supervisory body, an industry-defined Code of Conduct is deemed to be an effective mechanism for protecting the interest of bullion investors.

Effective dissemination and implementation of the Code of Conduct should enhance trust of consumers in gold products. This should, in turn, drive demand for both established and new gold products, benefitting consumers and the industry. This document is a step in that direction, and it lays out the Code of Conduct specific to Bullion Trading. There are similar existing Code of Conduct documents for other activities across gold value chain including refining, manufacturing, assaying and Bullion Trading. We may develop further Code of Conduct for activities such as vaulting, lending, etc. in future, as required.

Gold industry value chain



Refining



Bullion Trading



Manufacturing



Assaying and Hallmarking



Whole Seller



Retail



Digital Investment Gold Retailing

Bullion Trading

The process of developing the Code of Conduct has included interaction with a number of industry experts, providers and other stakeholders. We envision that the Code of Conduct guidelines will continue to evolve over time in step with global best practices and changing consumer preferences and improved awareness of consumers in India.



India Gold Market
Code of Conduct - Bullion Trader

Activity	Sound Practices
Sourcing	1. I promise to buy high integrity gold from trustworthy suppliers, who adhere to responsible gold standards, after conducting adequate due diligence on them 2. I promise to conduct business transparently by ensuring due documentation for all transactions with suppliers
Trading	3. I promise to offer fair and clear information on key product characteristics to my customers 4. I promise to maintain fairness and transparency for the prices and fees charged to the customers 5. I promise to clearly communicate terms and conditions including customer rights related to gold ownership 6. I promise to appropriately hedge the risks incurred through trading or holding physical inventory or currency 7. I promise to maintain transaction receipts/business contracts which contain relevant information about product, price and transaction 8. I promise to take appropriate measures to minimise liquidity, pricing, settlement and transaction related risks for my business and customers (Additional best practices)
Transportation, storage and withdrawals	9. I promise to have adequate operational processes for safe handling of gold assets and insurance to cover them against any event of loss 10. I promise to disclose the terms and conditions and protect customer rights with regards to withdrawing or taking delivery of their gold holdings
Customer and complaints management	11. I promise to adhere to minimum KYC requirements before initiating business with a new customer and update this information periodically 12. I promise to offer educational material on products, pricing and trading practices to the customers or point them to credible sources of such information 13. I promise to implement adequate systems and mechanisms to receive, record and redress customer queries and complaints
Payments	14 . I promise to clearly communicate and adhere to terms, conditions and timelines of payment with every customer and supplier, consistently and impartially
Risk management	15. I promise to proactively identify major financial and non-financial risks to the business and take appropriate steps to mitigate/manage the risks 16. I promise to have a dedicated and trained risk management team without linkage to any business incentives (Additional best practices)
Audit and compliance	17. I promise to comply with all applicable laws and regulations, maintain adequate documentation and disclose required information to regulatory/statutory bodies



Implementation Guidance

Sourcing

1. I promise to buy high integrity gold from trustworthy suppliers, who adhere to responsible gold standards, after conducting adequate due diligence on them

As applicable, source from suppliers who by themselves adhere to responsible gold sourcing standards, e.g. LBMA, India good delivery standards. Maintain a preferred supplier list.

Leverage accepted chains of integrity, e.g. BIS/NABL, LBMA accredited refineries, bullion banks importing as per government norms, reputable exchanges, LBMA reputed dealers

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Conduct due diligence and record relevant information about suppliers such as below before initiating any business transaction with a new supplier

- ✓ Business license
- ✓ GST certificate
- ✓ PAN details
- ✓ Product inspection
- ✓ MSME Udyam Registration number (as applicable)

2. I promise to conduct business transparently by ensuring due documentation for all transactions with suppliers

Ensure documentation of relevant details such as below with suppliers for each trade

- ✓ Weight of gold
- ✓ Quality of gold
- ✓ Source of gold (e.g. refinery mark)
- ✓ Standards followed by the supplier, if any, such as LBMA, India Good delivery standards
- ✓ Legal bill/invoice
- ✓ Supplier agreements/Contract/Invoice (Sensitive data can be masked)
- ✓ Serial number

Ensure the integrity of product by appropriate packaging, certificates of authenticity or inspection

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Details of procured gold to be collected irrespective of the volume of gold traded and nature of relationship with the supplier



Trading

3. I promise to offer fair and clear information to customers on key product characteristics to my customers

Offer fair and clear information to customers through customer invoices, including payment terms and key product characteristics, such as below

- ✓ Weight, purity
- ✓ Standards followed by the supplier (LBMA, India good delivery)
- ✓ Mint or refinery from which product has been sourced
- ✓ Allocated or unallocated gold
- ✓ Serial no. of the bar

Disclose key applicable regulatory guidelines and requirements related to the offering and provide update to customer in case of any changes

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Key risks should not be omitted, disguised or misstated

4. I promise to maintain fairness and transparency for the prices and fees charged to the customers

Charge fair prices and fees (reference price such as MCX, customs duty, storage and handling charges, transaction fees, taxes, etc.) in line with local market practices

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Clearly disclose this information to customer allowing them to calculate the overall premium they are paying on basis price for gold before they make investment/purchase decisions

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Disclose the price and time of executed trades

Do treat customers consistently, e.g. display price on the website

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If possible, explicitly disclose actual mark-ups/spreads to investors

5. I promise to clearly communicate terms and conditions including customer rights related to gold ownership

Key terms and conditions must be made available to prospects and customers on the invoices

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Disclosed terms should, at a minimum, include information on customer rights, reference to applicable fees and other costs, trading practices, and storage and insurance arrangements

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Make it clear when legal title passes to the customer during the transaction process

The Master Service Agreement (MSA) or Customer Terms of Business should be cross-referenced with your Sales Invoices to ensure that the high-level legal protections are consistently communicated at the point of sale.

- ✓ Sales Agreement
- ✓ Invoice

Provide customers with transparency on settlement times and terms, such as whether positions can be closed before final settlement or what happens in case of a transaction failure or a cancellation

6. I promise to appropriately hedge the risks incurred through trading or holding physical inventory or currency

Determine and document the quantum (Kg) of risks in trading or inventory which needs to be hedged along with options available for hedging

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Limit or hedge gold stock positions required to meet customer orders, so that price changes do not create significant losses for customers

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Pursue trading in OTC market/exchanges after careful assessment of risks and benefits

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Hedge any significant market price risks incurred through trading and holding physical inventory or currency. Desired Documents

- ✓ Hedging Policy
- ✓ Inventory Segregation Logs: Records showing the physical or ledger-based separation of customer gold from proprietary stock.
- ✓ Daily Hedge Reconciliation Reports

Segregate customer gold holdings from any proprietary trading stock or company assets

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Follow recognised gold trading practices based on regulatory requirements

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Implement and monitor trading and hedging procedures

7. I promise to maintain transaction receipts/business contracts which contain relevant information about product, price and transaction

Maintain transaction receipts for all transactions

Maintain records of transactions for a minimum period of 2 years

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Include all the relevant information on the invoice with respect to price (reference price such as MCX, customs duty, storage and handling charges, transaction fees, taxes, etc.), product (purity, weight, delivery standards, serial no.), payment terms, business contracts and transaction (date and time, etc.). Desired Process

- ✓ Data Retention & Archival Policy
- ✓ Master Transaction Ledger
- ✓ Invoice consisting of all mandatory fields (MCX reference, purity, serial numbers) are hard coded into the system

8. I promise to take appropriate measures to minimise liquidity, pricing, settlement pricing, settlement and transaction related risks for my business and customers (Additional Best Practices)

Ensure the immediate settlement of gold trades by trading (hedged) inventory or consignment stock and asking customers to pay upfront

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Maximise liquidity and optimise prices for investors e.g. by trading with large and multiple suppliers, allowing customers to trade with one another (if allowed)

Do not assume undue market risk that could adversely affect creditworthiness by pursuing proprietary trading in gold, other precious metals, currencies or other financial instruments

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Define internal risk limits with regards to market risks such as trading positions in gold, currencies or derivatives, which could threaten the company's liquidity.

Desired Documents

- ✓ Liquidity & Market Risk Policy
- ✓ SOP for Settlement
- ✓ Approved Counterparty List

Minimise settlement risks by ensuring that operating models have been appropriately configured and reviewed

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Do not enter into any lending transactions involving customers' gold holdings

Transportation, storage and withdrawals



9. I promise to have adequate operational processes for safe handling of gold assets and insurance to cover them against any event of loss

Deploy adequate physical security/technology enabled access to vaults, strong rooms; physical/digital record keeping of access to ensure safety of stored assets

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Outsource logistics to professional custodians/vaulting service providers, preferably those that are members of reputable trade bodies like LBMA or exchanges and other regulated infrastructure providers

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Conduct due diligence (e.g. presence of adequate operational controls, security system, etc.) and collect relevant KYC details for these providers

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Maintain a process to manage the movement of physical gold from time of gate entry till delivery to customer

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Ensure that gold assets stored or in transit have adequate insurance cover against any event of loss including loss, damage or theft

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Ensure that the product is only delivered to authorised person only by checking government ID verification

10. I promise to disclose the terms and conditions and protect customer rights with regards to withdrawing or taking delivery of their gold holdings

Provide information on delivery time, charges, requirements related to minimum lot sizes, names and necessary information of logistics service providers, etc. to the customers

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Disclose standard terms and conditions on the invoice including information on customer rights, insurance arrangements, etc. Desired documents

- ✓ Logistics & Fulfilment Directory: A comprehensive list of approved delivery partners, their service areas, and contact details.
- ✓ Customer Delivery Handbook/FAQ: A public-facing document detailing lot sizes, timelines, and the step-by-step withdrawal process.
- ✓ Invoice consisting of insurance terms and delivery-specific rights.

Customer and complaints management

11. I promise to adhere to minimum KYC requirements before initiating business with a new customer and update this information periodically

Perform due diligence and capture relevant information such as below before initiating any business transaction with a new customer

- ✓ Articles of association, memorandum of association, details of directors, bank account, PAN details, designated delivery person (in case of a company)
- ✓ Business license/registration, GST certificate, PAN details, bank account (in case of a proprietor)
- ✓ Financial stability of the customer
- ✓ Post-dated cheque, Bank guarantee (in case of credit to customers)
- ✓ Authorisation letter for delivery
- ✓ KYC Master Folder (Individual & Entity): A verified collection of statutory documents (PAN, GST, MoA/AoA) and digital Liveness or identity checks for every onboarded user.
- ✓ Periodic Refresh Log: An automated tracker showing that customer data has been updated within the required 11-month or annual window, as per OECD/PMLA standards.

Update the information recorded for onboarded customers annually or intermittently (e.g. required to update information every 11 months according to OECD guidelines)

12. I promise to offer educational material on products, pricing and trading practices to the customers or point them to credible sources of such information

Make customers aware about the standards followed by the company (BIS, LBMA, etc.) and whether the products are sourced responsibly

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Encourage customers to check the product specifications (e.g. refinery mark, weight, serial no.), test purity and price breakup on receipt

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Proactively educate customers such as retailers to buy high integrity gold and sell hallmarked jewellery to their customers

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Guide customers to credible sources of information (e.g. BIS website, LBMA standards) to help them know more about best practices in the gold industry and make informed decisions

13. I promise to implement adequate systems and mechanisms to receive, record and redress customer queries and complaints

Educate my customers on their rights to raise complaints and the process to access customer support

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Trader should communicate their responsibility for specific issues, e.g. related to product quality, transaction failures, timely delivery, etc.

Provide adequate training to support staff and ensure their availability during standard office hours by email and phone at a minimum

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Set-up a physical/digital system for customers to file complaints or raise queries. The system should also allow to record, track, allocate complaints and resolve queries within the agreed upon timelines

Payments



14. I promise to clearly communicate and adhere to terms, conditions and timelines of payment with every customer and supplier, consistently and impartially

Disclose/Solicit key terms and conditions with customers and suppliers, through purchase orders and customer invoices, such as

- ✓ Applicable purchase price and charges including any additional operational charges (transaction, delivery, storage, etc.)
- ✓ Trade settlement and insurance arrangements
- ✓ Information on customer rights
- ✓ Timelines for the trade
- ✓ Available payment methods to the customer, e.g. digital payments, credit card or cash
- ✓ Quality and quantum of products and services to be provided
- ✓ A record of all written communications sent to partners regarding updates to terms, conditions, or pricing structures.
- ✓ Financial records used to track the punctuality of payments and the management of outstanding balances – Self Declaration

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Adhere to terms, conditions and timelines as agreed upon with the suppliers and customers

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Any changes to terms and conditions of trade should be communicated to the customers and suppliers explicitly in writing (especially in case of repeat business)

Risk Management



15. I promise to proactively identify major financial and non-financial risks to the business and take appropriate steps to mitigate/manage the risks

Self-Declaration: Proactively identify, maintain risk register, and measure major risks for the business such as

- ✓ Operational risks (risks due to error or fraud)
- ✓ Financial risks (gold price risk including customs duty variation and currency movement risks, settlement risk, counterparty risk)
- ✓ Legal and compliance risk
- ✓ Third party/Outsourcing risk
- ✓ Cyber risk

Deploy risk management practices including processes, policies, roles and responsibilities to mitigate/
manage identified risks, e.g.

- ✓ Minimum/no business with suppliers/customers/logistics providers with negative sentiments (limited financial stability, involvement in unfair trade practices, etc.)
- ✓ Focusing on correct procedures in areas such as contractual terms or insurance requirements
- ✓ Develop policies to protect customer rights. For example, in case of wind-down, special consideration should be given to returning any gold or cash held for customers

- ✓ Assign responsibilities around issues such as planning or approval of a wind-down plan

16. I promise to have a dedicated and trained risk management team without linkage to any business incentives(Additional Best Practices)
Self-Declaration: Deploy a dedicated risk management team and/or committee without any business incentive which can perform regular risk assessment, maintain a risk register, design and implement risk mitigation plans

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Implement the “separation of duties principles”, where two independent people are required to complete certain critical activities. Helps to prevent or mitigate fraud and operational errors

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Deploy adequate safeguards to protect the KYC information collected from suppliers, customers, logistics agencies, etc. Implement cyber-security best practices and be prepared for IT emergencies, including system failures

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Design and implement training modules with reputed institutes

Audit And Compliance



17. I promise to comply with all applicable laws and regulations, maintain adequate documentation and disclose required information to regulatory/ statutory bodies
Comply with all applicable laws and regulations, including PMLA (Prevention of Money Laundering Act), in the markets in which they operate (including those where customers and potential customers are located)

Establish and maintain accurate records such as customer/supplier names, accounts, transactions and appropriate recordkeeping controls

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Document any compliance procedures for internal purposes, as well as for any legitimate requests by external parties such as regulators or business partners, such as banks

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Conduct regular internal audits. Audit should include verification of gold holdings and reconciliation with retailer’s records and information system

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Disclose any information related to consumer protection as required by regulatory authorities



Dissemination and application of Code of Conduct

Dissemination & Application of the Code of Conduct

The proposed sound practices, additional best practices and implementation guidance are voluntary, so, there will be no audit or public endorsement. However, we believe that conforming with these practices will strongly benefit providers and customers. Over time, we expect stakeholders to push for implementation of the sound practices outlined in this document.

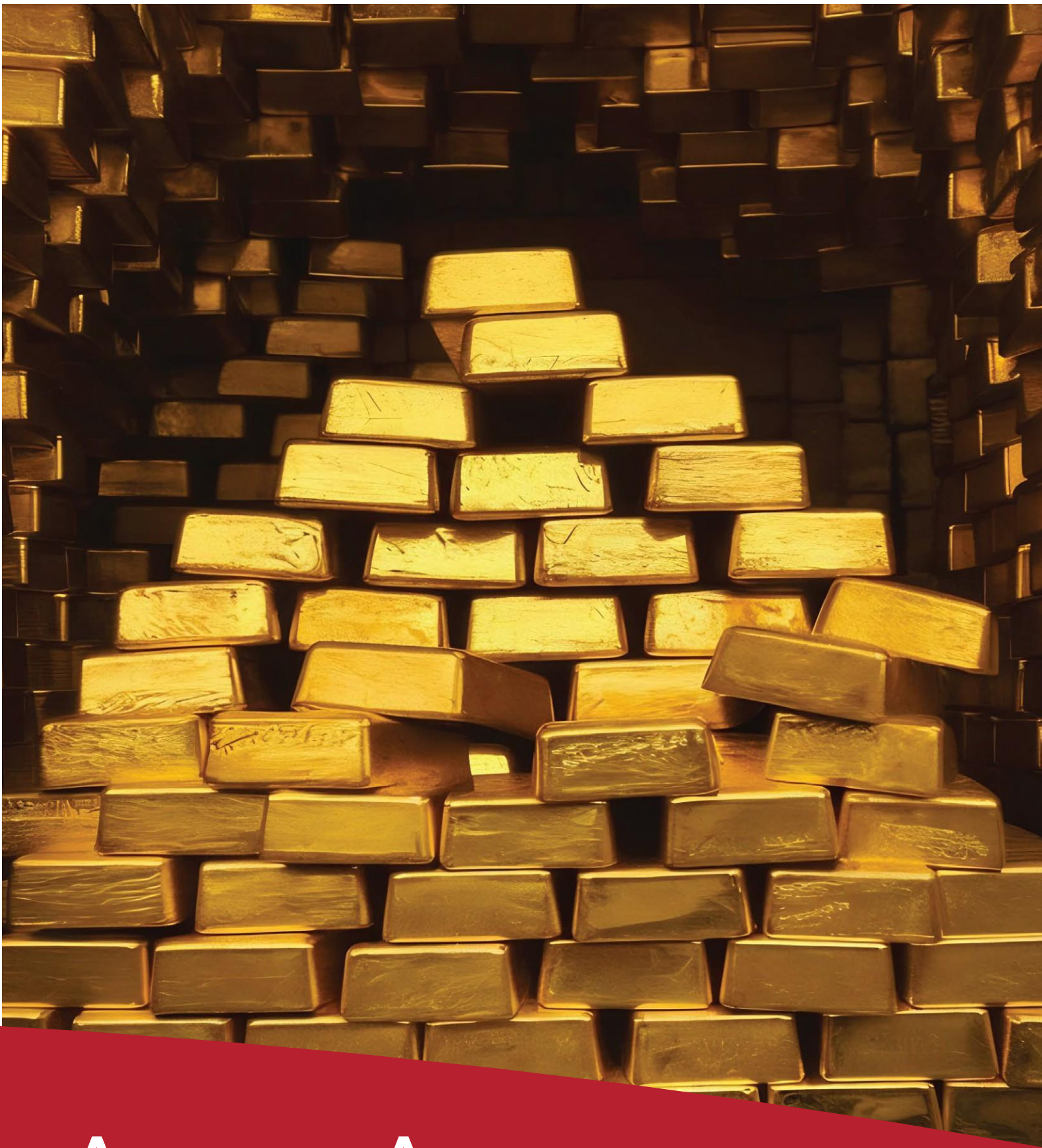
Providers are therefore encouraged to independently demonstrate compliance with the sound practices. This should strengthen trust in their offerings, facilitate customer acquisition, drive business growth and foster co-operation with external partners such as vault operators, security carriers, gold dealers and banks. Providers can demonstrate adherence to the practices through public disclosure to customers, investors and other interested parties. This can be achieved in several ways – via providers' own websites, through marketing materials or more generally online.

Providers who choose to go beyond to additional best practices will be able to differentiate themselves from peers.

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Annexure A: Self-Assessment Guide

Introduction to Self-assessment guide

The self-assessment guide is applicable for organisations of any size as the test is based on the practices deployed and not the volume of trade conducted. It is voluntary at present and there will be no audit or public endorsement. Providers can demonstrate adherence to the practices through public disclosure to customers, investors and other interested parties. This can be achieved in several ways – via providers' own websites, through marketing materials or more generally online.

Self-assessment guide aims to help the provider with current state assessment of their practices against corresponding Code of Conduct and entails three steps for assessment

1. Read the corresponding Code of Conduct thoroughly before beginning this assessment
2. Refer to guiding questions to develop conclusion for the organisation's practices against each Code of Conduct statement – to determine the extent to which a Code of Conduct is observed by the organisation
3. Assess current state against each Code of Conduct. The assessment is built on the gravity and urgency to address the areas of improvement

Assessment outcome would be as following –

A. Observed (O)

The provider observes the Code of Conduct in entirety

B. Broadly Observed (BO)

The provider broadly observes the Code of Conduct. The assessment has identified one or more areas of improvement that the provider should address and follow up within a defined timeline

C. Partly Observed (PO)

The provider partly observes the Code of Conduct. The assessment has identified one or more critical areas of improvement and should be addressed as high-priority items

D. Not Observed (NO)

The provider does not observe the Code of Conduct.

The self-assessment guide is evolving in nature and will mature over time with inputs from the market participants.

Detailed assessment guidance

1 I promise to buy high integrity gold from trustworthy suppliers, who adhere to responsible gold standards, after conducting adequate due diligence on them

Current state:

☐ Observed ☐ Broadly observed

☐ Partly observed ☐ Not observed

Key questions to consider:

1. Do you have a criterion to only procure gold which adheres to Indian industry-accepted standards only?
2. Do you conduct due diligence/have adequate processes to evaluate suppliers before initiating business with them?
3. Do you monitor and update the information on suppliers periodically?

Assessment notes:

Area(s) of improvement:

2 I promise to conduct business transparently by ensuring due documentation for all transactions with suppliers

Current state:

- ☐ Observed
- ☐ Broadly observed
- ☐ Partly observed
- ☐ Not observed

Key questions to consider:

1. Do you document all information related to the trade in purchase orders/other documents?
2. Do you ensure that the documentation is completed for all trades, irrespective of volume and nature of relationship the supplier?
3. Do you maintain records of past transactions for reasonable period?

Assessment notes:

Area(s) of improvement:

3 I promise to offer fair and clear information on key product characteristics to my customers

Current state:

☐ Observed ☐ Broadly observed

☐ Partly observed ☐ Not observed

Key questions to consider:

1. Do you disclose conditions for the transaction and have documents to share the information with customers?
2. Do you disclose applicable regulatory guidelines applicable to product to your customer?
3. Do you state potential investment risks objectively?

Assessment notes:

Area(s) of improvement:

4 I promise to maintain fairness and transparency for the prices and fees charged to the customers

Current state:

☐ Observed ☐ Broadly observed

☐ Partly observed ☐ Not observed

Key questions to consider:

1. Do you charge standard prices and fees to the customers irrespective of their understanding of the industry?
2. Do you disclose pricing components to the customer (e.g. base price of gold, mark up and logistics charges)?

Assessment notes:

Area(s) of improvement

5 I promise to clearly communicate terms and conditions including customer rights related to gold ownership

Current state:

☐ Observed ☐ Broadly observed

☐ Partly observed ☐ Not observed

Key questions to consider:

1. Do you clearly disclose key terms and conditions to prospects and customers? Does this include information such as customer rights, settlement time, insurance arrangements?
2. Do you make the customer aware of their rights and at what stage legal ownership of the bullion changes during the transaction?

Assessment notes:

Area(s) of improvement:

6 I promise to appropriately hedge the risks incurred through trading or holding physical inventory or currency

Current state:

☐ Observed ☐ Broadly observed

☐ Partly observed ☐ Not observed

Key questions to consider:

1. Do you assess the risks involved in trading/holding physical inventory/currency?
2. Do you hedge the transaction risks involved?
3. In case you take advance payment, do you ensure that customer is protected from significant losses?

Assessment notes:

Area(s) of improvement:

7 I promise to maintain transaction receipts/business contracts which contain relevant information about product, price and transaction

Current state:

☐ Observed ☐ Broadly observed

☐ Partly observed ☐ Not observed

Key questions to consider:

1. Do you maintain receipts/business contracts for all transactions? Do you include all the requisite details about product, price and transaction?
2. Do you store the above records for reasonable period (at least 2 years)?

Assessment notes:

Area(s) of improvement:

8 I promise to take appropriate measures to minimise liquidity, pricing, settlement and transaction related risks for my business and customers

Current state:

☐ Observed ☐ Broadly observed

☐ Partly observed ☐ Not observed

Key questions to consider:

1. Do you ensure immediate settlement of gold trades by hedging or consigning purchase for customers paying upfront?
2. Do you define internal risk limits and mitigate undue market risk that could affect your credit worthiness?
3. Do you enter into any lending transactions involving customers' gold holdings that could create risks that the customers may be unaware of?

Assessment notes:

Area(s) of improvement:

9 I promise to have adequate operational processes for safe handling of gold assets and insurance to cover them against any event of loss

Current state:

☐ Observed ☐ Broadly observed

☐ Partly observed ☐ Not observed

Key questions to consider:

1. Do you deploy adequate safety measures to store and transport gold, cash and precious metals? Do you consider professional custodians/vaulting service providers (e.g. those that are members of reputable trade bodies like LBMA or serve exchanges)?
2. Do you have adequate insurance or capital buffers to cover against any event of loss?
3. Do you conduct due diligence / "Know Your Provider" checks to evaluate logistics agencies before empanelling them?

Assessment notes:

Area(s) of improvement:

10 I promise to disclose the terms and conditions and protect customer rights with regards to withdrawing or taking delivery of their gold holdings

Current state:

☐ Observed ☐ Broadly observed

☐ Partly observed ☐ Not observed

Key questions to consider:

1. Do you disclose the terms and conditions with regards to withdrawal/delivery of gold to customers?
2. Do you agree with customers on their rights, insurance arrangements, details of logistics provider, etc. for each transaction/on contract basis?

Assessment notes:

Area(s) of improvement:

11 I promise to adhere to minimum KYC requirements before initiating business with a new customer and update this information periodically

Current state:

☐ Observed ☐ Broadly observed

☐ Partly observed ☐ Not observed

Key questions to consider:

1. Do you conduct due diligence/KYC checks to evaluate customers before initiating business with them?
2. Do you conduct business with the customers even if they are unable to fulfil the KYC requirements?
3. Do you update this information periodically?

Assessment notes:

Area(s) of improvement:

12 I promise to offer educational material on products, pricing and trading practices to the customers or point them to credible sources of such information

Current state:

☐ Observed ☐ Broadly observed

☐ Partly observed ☐ Not observed

Key questions to consider:

1. Have you developed any educational material for customers? Do you include details on products, pricing, and trading practices in such materials?
2. Do you train front end staff to offer material to educate customers?
3. In absence of in-house materials, do you point customers to other external sources of credible information?

Assessment notes:

Area(s) of improvement:

13 I promise to implement adequate systems and mechanisms to receive, record and redress customer queries and complaints

Current state:

☐ Observed ☐ Broadly observed

☐ Partly observed ☐ Not observed

Key questions to consider:

1. Do you have systems in place to receive customer complaints?
2. Upon receiving a complaint, do you commit a timeline for redressal?
3. Do you maintain records of the customer complaints? If yes, for how long?

Assessment notes:

Area(s) of improvement:

14 I promise to clearly communicate and adhere to terms, conditions and timelines of payment with every customer and supplier, consistently and impartially

Current state:

☐ Observed ☐ Broadly observed

☐ Partly observed ☐ Not observed

Key questions to consider:

1. Do you communicate and clearly align on key terms of payment before finalising trade with suppliers/customers?
2. Do you ensure that you as well as the suppliers adhere to the terms?
3. Do you have mechanisms in place for events when one party violates the terms?

Assessment notes:

Area(s) of improvement:

15 I promise to proactively identify major financial and non-financial risks to the business and take appropriate steps to mitigate/manage the risks

Current state:

☐ Observed ☐ Broadly observed

☐ Partly observed ☐ Not observed

Key questions to consider:

1. Do you identify, measure and monitor major financial and non-financial risks to business?
2. Do you have risk management practices including policies, governance in place to mitigate/manage the identified risks?

Assessment notes:

Area(s) of improvement:

16 I promise to have a dedicated and trained risk management team without linkage to any business incentives

Current state:

- ☐ Observed
- ☐ Broadly observed
- ☐ Partly observed
- ☐ Not observed

Key questions to consider:

1. Do you have a team that is independent of other business operations that is responsible for risk management?
2. Do you have appropriate policies, processes and governance to ensure their independence?

Assessment notes:

Area(s) of improvement:

17 I promise to comply with all applicable laws and regulations, maintain adequate documentation and disclose required information to regulatory/statutory bodies

Current state:

☐ Observed ☐ Broadly observed

☐ Partly observed ☐ Not observed

Key questions to consider:

1. Do you comply with applicable laws and regulations that are applicable to the bullion trading activity and business operations in India?
2. Do you maintain records and documentation for all compliance and audit procedures? Does it include details of queries from regulator, events of non-compliance and corresponding actions taken?
3. Do you conduct internal audits and record its findings for reasonable period?
4. Do you disclose this information to customer or regulatory authorities when requested?

Assessment notes:

Area(s) of improvement:

Activity	Sound Practices	Rating
Sourcing	1. I promise to buy high integrity gold from trustworthy suppliers, who adhere to responsible gold standards, after conducting adequate due diligence on them	O / BO / PO / NO
	2. I promise to conduct business transparently by ensuring due documentation for all transactions with suppliers	O / BO / PO / NO
Trading	3. I promise to offer fair and clear information on key product characteristics to my customers	O / BO / PO / NO
	4. I promise to maintain fairness and transparency for the prices and fees charged to the customers	O / BO / PO / NO
	5. I promise to clearly communicate terms and conditions including customer rights related to gold ownership	O / BO / PO / NO
	6. I promise to appropriately hedge the risks incurred through trading or holding physical inventory or currency	O / BO / PO / NO
	7. I promise to maintain transaction receipts/business contracts which contain relevant information about product, price and transaction	O / BO / PO / NO
	8. I promise to take appropriate measures to minimise liquidity, pricing, settlement and transaction related risks for my business and customers (Additional best practices)	O / BO / PO / NO
Transportation, storage and withdrawals	9. I promise to have adequate operational processes for safe handling of gold assets and insurance to cover them against any event of loss	O / BO / PO / NO
	10. I promise to disclose the terms and conditions and protect customer rights with regards to withdrawing or taking delivery of their gold holdings	O / BO / PO / NO
Customer and Complaints Management	11. I promise to adhere to minimum KYC requirements before initiating business with a new customer and update this information periodically	O / BO / PO / NO
	12. I promise to offer educational material on products, pricing and trading practices to the customers or point them to credible sources of such information	O / BO / PO / NO
	13. I promise to implement adequate systems and mechanisms to receive, record and redress customer queries and complaints	O / BO / PO / NO
Payments	14. I promise to clearly communicate and adhere to terms, conditions and timelines of payment with every customer and supplier, consistently and impartially	O / BO / PO / NO

Activity	Sound Practices	Rating
Risk Management	15. I promise to proactively identify major financial and non-financial risks to the business and take appropriate steps to mitigate/manage the risks	O / BO / PO / NO
	16. I promise to have a dedicated and trained risk management team without linkage to any business incentives (Additional best practices)	O / BO / PO / NO
Audit & Complaince	17. I promise to comply with all applicable laws and regulations, maintain adequate documentation and disclose required information to regulatory/statutory bodies	O / BO / PO / NO



Self- Assessment Declaration

By signing below, I/we, hereby declare and affirm the following:

1. I/We have thoroughly reviewed and understood the Code of Conduct established by IAGES.
2. The information provided in this self-assessment is true, accurate, and complete to the best of my/our knowledge and belief.
3. I/We acknowledge that this self-assessment is a continuous improvement process, and we shall address any identified gaps and implement necessary corrective actions to enhance our compliance with the IAGES Code of Conduct.

Name of Organisation/Company/Firm:

Full Correspondence Address:

Contact Person:

Designation:

Contact Number:

Email Address:

Signature:

Name:

Date:

Official Stamp/Seal (if applicable):



Annexure B: Version control

Annexure B: Version control

The Code of Conduct is a continuously evolving document intended to incorporate latest and best practices in the industry. The below table reflects the history of updates and latest version of the document

Sr.No.	Version Number	Timeline
1.	Code of Conduct_Bullion Trading_vOct2026	Oct, 2026

Notes



IAGES
Indian Association for Gold Excellence and Standards
An Industry Initiative

IAGES is a Self-Regulatory Organization (SRO) created by the Indian gold industry, for the Indian gold industry.

IAGES aims to foster consumer confidence and trust in the Indian gold industry by encouraging fair, transparent and sustainable practices, regulatory compliance, and establishing codes of conduct. It has developed an accreditation framework, and this sets out how its members should assess their organization's conformance with the established Code of Conduct.

The vision of IAGES is to "promote organized growth of the industry and enhance consumer trust in Gold by raising overall standards and adopt best practices across the value chain" comprising of Retailing, Manufacturing, Refining, Assaying and Hallmarking, Bullion Trading, Wholes seller, Digital Investment Gold Retailing. The accreditation framework will serve as an enabler to achieve the vision.

Objectives of IAGES

Trust

Enhance and build consumer trust through fair & transparent practices with a focus on client protection

Credibility

Build market credibility through adoption of responsible and best practices

Compliance

Drive professionalism and regulatory compliance through policy advocacy and code of conduct

Capability Development

Enhance industry capability to serve customers responsibly

Market Development

Identify opportunities for the industry to promote business & trade and ensure commercial prudence

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