

**Anti-Money Laundering (“AML”) Compliance Program:  
Policies, Procedures, and Internal Controls**

**Frontiers Group Trading LLC**

Last Update: 1 January 2024

## Table of Contents

1. Introduction .....	3
2. Business Model.....	4
3. Firm Policy .....	4
4. Risk Assessment .....	4
a. Products Bought and Sold .....	4
b. Customers .....	4
c. Suppliers .....	4
d. Distribution Channels .....	5
e. Geographic Locations.....	5
5. Monitoring for and Responding to Suspicious Activities .....	6
a. High Risk.....	6
b. Firm Policies and Procedures .....	6
c. Reporting Suspicious Activities .....	7
6. BSA Reporting .....	7
a. Filing of FinCEN Form 8300 (31 C.F.R. § 1010.330) .....	7
b. Foreign Bank and Financial Accounts Reports (31 C.F.R. § 1010.350).....	8
c. Currency and Monetary Instrument Transportation Reports (31 C.F.R. § 1010.340)	8
7. Information Sharing.....	9
a. Right to Financial Privacy Act .....	9
b. FinCEN Requests under USA PATRIOT Act Section 314(a)* .....	10
c. Voluntary Information Sharing with Other Financial Institutions – USA PATRIOT Act, Section 314(b) (31 C.F.R. §1027.540).....	10
d. Geographic Targeting Orders .....	11
e. Regulatory Examinations .....	11
8. Identity Verification .....	12
a. Suppliers .....	12
b. High Risk Sales .....	12
9. Checking the Office of Foreign Assets Control Listings .....	13
10. AML Record Creation and Retention (31 C.F.R. §§ 1010.410, -430) .....	13
11. AML Compliance Officer Designation and Duties (31 C.F.R. § 1027.210(b)(2)) 14	
12. Training Program (31 C.F.R. § 1027.210(b)(3)) .....	14
13. Program to Independently Test AML Program (31 C.F.R. § 1027.210(b)(4)) .....	15
14. Senior Management Approval (31 C.F.R. §1027.210(a)) .....	15

## 1. Introduction

Money laundering is generally defined as engaging in acts designed to conceal or disguise the true origins of criminally derived proceeds so that the proceeds appear to have derived from legitimate origins or constitute legitimate assets. Generally, money laundering occurs in three stages. Cash first enters the financial system at the "placement" stage, where the cash generated from criminal activities is converted into monetary instruments, such as money orders or traveler's checks, or deposited into accounts at financial institutions. At the "layering" stage, the funds are transferred or moved into other accounts or other financial institutions to further separate the money from its criminal origin. At the "integration" stage, the funds are reintroduced into the economy and used to purchase legitimate assets or to fund other criminal activities or legitimate businesses.

Terrorist financing may not involve the proceeds of criminal conduct, but rather an attempt to conceal either the origin of the funds or their intended use, which could be for criminal purposes. Legitimate sources of funds are a key difference between terrorist financiers and traditional criminal organizations. In addition to charitable donations, legitimate sources include foreign government sponsors, business ownership and personal employment. Although the motivation differs between traditional money launderers and terrorist financiers, the actual methods used to fund terrorist operations can be the same as or similar to methods used by other criminals to launder funds. Funding for terrorist attacks does not always require large sums of money and the associated transactions may not be complex.

To assist dealers in precious metals, precious stones, jewels, and finished goods ("**Covered Goods**") in the fight against the financing of terrorism and money laundering, various resources have been made available. Among the resources used to prepare this AML program are the following:

31 C.F.R. § 1010 (<http://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&SID=1d4b7666c253f04d69699bbde806efee&rgn=div5&view=text&node=31:3.1.6.1.2&idno=31>)

31 C.F.R. § 1027 (<http://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&SID=1d4b7666c253f04d69699bbde806efee&rgn=div5&view=text&node=31:3.1.6.1.11&idno=31>)

FinCEN FAQs (<https://www.fincen.gov/resources/statutes-regulations/guidance/frequently-asked-questions-0>)

Notice of Proposed Rulemaking (68 FR 8480), February 21, 2003

(<https://www.gpo.gov/fdsys/granule/FR-2003-02-21/03-4171/content-detail.html>)

Interim Final Rule, June 9, 2005

(<https://www.gpo.gov/fdsys/pkg/FR-2005-06-09/pdf/05-11431.pdf>)

"For most dealers, the requirements are (1) to establish an anti-money laundering program, (2) to file IRS/FinCEN Form 8300, (3) to file FinCEN Form TD F 90-22.1 [Report of Foreign Bank and Financial Accounts], and (4) to file FinCEN Form 105 [Report of International Transportation of Currency or Monetary Instruments]."

## **2. Business Model**

Operating from its office location in Stuart, Florida, Frontiers Group Trading LLC (“Frontiers Group Trading” or “the Firm”) is an international precious metals dealer. Buying from suppliers located in Chile, Colombia, and the U.A.E., and selling to domestic refineries and retail jewelers, the Firm deals in Gold and Platinum Group Metals.

In any given year, Frontiers Group Trading’s purchases and sales of Covered Goods exceed \$50,000. As such, the Firm qualifies as a *dealer* as that term is defined in 31 C.F.R. §1027.100(b) and is subject to Federal anti-money laundering regulations, contained in the Bank Secrecy Act (“BSA”).

## **3. Firm Policy**

It is the policy of Frontiers Group Trading to prohibit and actively prevent money laundering and any activity that facilitates money laundering or the funding of terrorist or criminal activities by complying with all applicable requirements under the BSA and its implementing regulations.

Using the risk assessment found in this program, we have developed and implemented reasonable policies, procedures, and internal controls to prevent our Firm from being used to facilitate money laundering and the financing of terrorist activities through the purchase and sale of Covered Goods. These policies, procedures, and internal controls include provisions for making reasonable inquiries to determine whether a transaction involves money laundering or terrorist financing, and for refusing to consummate, withdrawing from, or terminating such transactions.

Our program is designed to ensure compliance with all applicable BSA regulations and will be reviewed and updated on a regular basis to ensure appropriate policies, procedures, and internal controls are in place to account for both changes in regulations and changes in our business (see [31 C.F.R. § 1027.210](#)). We will keep our AML Program in writing, and we will make copies of our AML Program available for inspection to the Department of the Treasury upon request.

## **4. Risk Assessment**

Recognizing the money laundering and terrorist financing risks inherent in our business dealings, we have conducted this ML/TF risk assessment. In assessing the risk exposure of the Firm, we have considered all relevant factors including, but not limited to the following:

### **a. Products Bought and Sold**

Frontiers Group Trading deals in Gold and Platinum Group Metals.

### **b. Customers**

Frontiers Group Trading sells to U.S. refineries and retail jewelers.

### **c. Suppliers**

Listed below are the suppliers from which the Firm makes its most significant purchases:

Golden Alliance

Minera Monte Alto

Grupo Oro Origen

**d. Distribution Channels**

Frontiers Group Trading works through direct contact with its established suppliers and its BSA-regulated customers (refineries and retail jewelers).

**e. Geographic Locations**

Frontiers Group Trading purchases from suppliers located in Colombia, Chile, and the United Arab Emirates.

Chile is a member of the Financial Action Task Force of Latin America (“GAFILAT”).

The Office of the U.S. Trade Representative reports that “Chile is currently our 29th largest goods trading partner with \$26.1 billion in total (two way) goods trade during 2019” (<https://ustr.gov/countries-regions/americas/chile>).

Statista reports: “In 2022, Chile had an index score of 4.03, up from 3.86 reported a year earlier. Despite this increase, Chile ranked as the country with the lowest risk of money laundering and terrorist financing in Latin America.” ([https://www.statista.com/statistics/878222/risk-index-money-laundering-terrorist-financing-chile/#:~:text=Risk%20index%20of%20money%20laundering%20and%20terrorist%20financing%20in%20Chile%202015%2D2022&text=In%202022%2C%20Chile%20had%20an,terrorist%20financing%20in%20Latin%20America](https://www.statista.com/statistics/878222/risk-index-money-laundering-terrorist-financing-chile/#:~:text=Risk%20index%20of%20money%20laundering%20and%20terrorist%20financing%20in%20Chile%202015%2D2022&text=In%202022%2C%20Chile%20had%20an,terrorist%20financing%20in%20Latin%20America))).

Colombia is also a GAFILAT member.

The Office of the U.S. Trade Representative reports that “Colombia is currently our 25th largest goods trading partner with \$28.9 billion in total (two way) goods trade during 2019” (<https://ustr.gov/countries-regions/americas/colombia>).

Statista reports: “In 2022, Colombia's risk of money laundering and terrorist financing added up to 4.74, slightly up from 4.64 reported a year earlier. Still, this signifies a remarkable fall compared to 2019.” (<https://www.statista.com/statistics/878235/risk-index-money-laundering-terrorist-financing-colombia/>)

The United Arab Emirates is a member of the Middle East and North Africa Financial Action Task Force (“MENAFATF”) and is one of the members of the Co-operation Council for the Arab States of the Gulf (“GCC”). The GCC is a member of the FATF.

The Office of the U.S. Trade Representative reports that “United Arab Emirates is currently our 30th largest goods trading partner with \$24.3 billion in total (two way) goods trade during 2019” (<https://ustr.gov/countries-regions/europe-middle-east/middle-east/north-africa/united-arab-emirates>).

These countries are not found on the FATF's most recently updated list of jurisdictions with strategic AML/CFT deficiencies (see [http://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/?hf=10&b=0&s=desc\(fatf\\_releasedate\)](http://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/?hf=10&b=0&s=desc(fatf_releasedate))).

Taking into account these and other considerations, we have developed and implemented the following policies, procedures, and internal controls to prevent the Firm from being used to facilitate money laundering and the financing of terrorist activities through the purchase and sale of Covered Goods.

## **5. Monitoring for and Responding to Suspicious Activities**

### **a. High Risk**

We recognize a high level of risk and will exercise diligence in the following situations:

- i. When conducting business with parties located in, or transactions for which payment or account reconciliation is routed through accounts located in, jurisdictions that have been identified as particularly vulnerable to money laundering or terrorist financing;
- ii. Unusual payment methods, such as the use of large amounts of cash, cryptocurrencies, multiple or sequentially numbered money orders, traveler's checks, or cashier's checks, or payment from third parties;
- iii. Unwillingness by a customer or supplier to provide complete or accurate documentation of identifying information, financial references, or business affiliations;
- iv. Attempts by a customer or supplier to maintain an unusual degree of secrecy with respect to the transaction, such as a request that normal business records not be kept;
- v. Purchases or sales that are unusual for the particular customer or supplier, or type of customer or supplier; and
- vi. Purchases or sales that are not in conformity with standard industry practice.

### **b. Firm Policies and Procedures**

- i. **Transaction and Customer Due Diligence.** Each high-risk transaction will be reviewed by our AML Compliance Officer. As part of this review, we will make reasonable inquiries to determine whether the transaction may involve money laundering or terrorist financing. If it is determined that a proposed transaction is likely to involve money laundering or terrorist financing, our AML Compliance Officer will direct the Firm to refuse to consummate, withdraw from, or terminate such transaction.

If it is determined that the transaction is not likely to involve money laundering or terrorist financing, our AML Compliance Officer will approve the proposed transaction. We will document our review of and our reasons for approving the transaction.

ii. **Supplier Due Diligence (see FinCEN FAQ #3,**

<https://www.fincen.gov/resources/statutes-regulations/guidance/frequently-asked-questions-0>)

We will take reasonable steps to determine whether a supplier of Covered Goods is a dealer as defined by 31 C.F.R. § 1027.100 or whether the supplier is eligible for the retailer exemption.

Reasonable steps will depend on the nature of our relationship with the supplier. In most cases, verbal or written representations of the supplier will be sufficient. In other cases, additional due diligence will be required. For example, when dealing with a foreign supplier, we will ensure that we know the true identity of the supplier, and that the supplier is a reputable and established business entity. Among other things, we will verify the supplier's identity, perform appropriate OFAC screenings, obtain a copy of the supplier's AML program, and possibly take other actions to ensure that our dealings with the supplier will not involve money laundering or terrorist financing activities.

**c. Reporting Suspicious Activities**

On June 9, 2005, the Federal Register gave this explanation from FinCEN: "The interim final rule... does not require dealers to file reports of suspicious activity with FinCEN. However, dealers are strongly encouraged to file suspicious activity reports when they suspect the transaction, or the funds involved, has an illegal source or purpose or when the transaction has no apparent business or lawful purpose."

When we determine that a proposed transaction is likely to involve money laundering or terrorist financing, our AML Compliance Officer will direct Frontiers Group Trading to refuse to consummate, withdraw from, or terminate such transaction.

In addition, if our AML Compliance Officer believes that it would be appropriate to report the proposed transaction to law enforcement authorities, our AML Compliance Officer may take any one or more of the following actions:

- i. Contact local or federal law enforcement authorities;
- ii. File a suspicious activity report with FinCEN;
- iii. Check the "suspicious activity" box on a Form 8300 filed on a particular transaction; or
- iv. Report suspected terrorist activities to FinCEN using its Financial Institutions Hotline (866-556-3974).

If we file a SAR, no officer, director, employee, or agent of Frontiers Group Trading shall notify any person involved in the reported transaction that a SAR has been filed.

## **6. BSA Reporting**

**a. Filing of FinCEN Form 8300 (31 C.F.R. § 1010.330)**

If, in the course of our business, we receive cash\* in excess of \$10,000 in one transaction (or 2 or more related transactions), we will file FinCEN Form 8300 to report the receipt of such cash. We will file Form 8300 by the 15th day after the date the cash was received.

With each Form 8300 filing, we shall give a written or electronic statement to the customer. The statement shall provide the name, telephone number, and address of the contact person for the Firm. The statement will show the aggregate amount of the cash received, and it will explain that the information was furnished to the IRS.

We will provide the statement promptly after the transaction, and in every case, the statement will be provided to the customer before January 31 of the year following the calendar year in which the cash is received. We will keep a copy of the statement for at least five years.

\*IRS Form 8300 instructions define cash as “The coins and currency of the United States (and any other country).” The instructions also define the following instruments as cash: “cashier's check, bank draft, traveler's check, or money order.”

**b. Foreign Bank and Financial Accounts Reports (31 C.F.R. § 1010.350)**

Frontiers Group Trading does not have a financial interest in, or signature or other authority over, a bank, securities, or other financial account in a foreign country. With this understanding, it is unlikely that the Firm would ever be required to submit an FBAR report. The following paragraph is included to address the regulatory requirement and to serve as a guide in the event that we ever open a foreign financial account.

We will file a FinCEN Form 114, *Report of Foreign Bank and Financial Accounts* (“FBAR”), or any successor form, with the Department of Treasury for any financial accounts of more than \$10,000 that we hold, or for which we have signature or other authority over, in a foreign country. We shall submit FBAR filings on or before June 30th of each calendar year for the previous year in which such accounts existed.

**c. Currency and Monetary Instrument Transportation Reports (31 C.F.R. § 1010.340)**

Frontiers Group Trading prohibits both the receipt of currency or other monetary instruments that have been transported, mailed, or shipped to us from outside of the United States, and the physical transportation, mailing or shipment of currency or other monetary instruments by any means other than through the postal service or by common carrier. We will file a CMIR with the Commissioner of Customs if we discover that we have received or caused or attempted to receive from outside of the U.S. currency or other monetary instruments in an aggregate amount exceeding \$10,000 at one time (on one calendar day or, if for the purposes of evading reporting requirements, on one or more days). We will also file a CMIR if we discover that we have physically transported, mailed, or shipped or caused or attempted to physically transport, mail, or ship by any means other than through the postal service or by common carrier currency or other monetary instruments of more than \$10,000 at one time (on one calendar day or, if for the purpose of evading the reporting requirements, on one or more days).



## 7. Information Sharing

### a. Right to Financial Privacy Act

The Right to Financial Privacy Act (“RFPA” or the “Act”), 12 U.S.C. § 3401, 12 C.F.R. § 219, 29 C.F.R. § 19, 31 C.F.R. § 14, provides that financial institution customers have a right to expect that their financial activities will have a reasonable amount of privacy from federal government scrutiny. Generally, RFPA requires that agencies provide individuals with notice and an opportunity to object before a financial institution may disclose personal financial information to an agency, often for law enforcement purposes. The Act establishes procedures and exemptions concerning the release of financial records and imposes limitations and requirements prior to the release of such information to the government.

The RFPA applies to the financial records of individuals or partnerships if the partnership consists of five or fewer individuals. The protection provided by the RFPA does not apply to the financial records of corporations, trusts, estates, unincorporated associations such as unions, and large partnerships (more than six individuals). Therefore, the availability of RFPA protection depends on the type of person or entity whose records are sought. In addition, RFPA does not apply to requests or orders for information by state and local government entities.

Frontiers Group Trading has a duty to protect the confidential nature of customers’ financial records. Under the RFPA, management and staff may not release customer financial information to any source other than a credit bureau without express written authorization from the customer, a subpoena, summons, or warrant.

### Regulatory Requests

Financial Institutions are not permitted to provide access to, or produce copies of, information contained in a customer’s financial records to any Agency, except when the Agency has certified, in writing, that it has complied with the provisions of the RFPA.

To gain access to customer records, RFPA requires, with certain exceptions, the federal agency must present one of the following:

- An authorization signed and dated by the customer, which identifies the records being sought, the reasons the records are being requested, and the customer’s rights under RFPA (The agency’s request should be on an official form and contain the required customer authorization.);
- A valid administrative subpoena or summons;
- A valid search warrant;
- A valid judicial subpoena; or
- A formal written request by an authorized agency.

### Customer Authorizations

For customer authorization to be valid under RFPA, his or her authorization must be signed and dated by the customer, and it must contain:

- the specific time period that the authorization is effective, not to exceed three months;
- a statement that the customer may revoke the authorization at any time before information is disclosed;

- an identification of the specific records authorized to be disclosed;
- the specific purpose for which and the Agency to which the records may be disclosed;
- a statement that the customer understands his/her rights under RFPA;
- a valid administrative subpoena, judicial subpoena, or summons.

**b. FinCEN Requests under USA PATRIOT Act Section 314(a)\***

As required by [31 C.F.R. § 1010.520\(a\)\(3\)](#), “upon receiving an information request from FinCEN under [section 1027.520, we will] expeditiously search [our] records to determine whether [we maintain] or [have] maintained any account for, or [have] engaged in any transaction with, each individual, entity, or organization named in FinCEN's request.” If we find a match, our AML Compliance Officer will report it to FinCEN via FinCEN’s Web-based 314(a) Secure Information Sharing System within 14 days or within the time requested by FinCEN in the request. If the search parameters differ from those mentioned above (for example, if FinCEN limits the search to a geographic location), our AML Compliance Officer will structure our search accordingly.

When our AML Compliance Officer searches our records and does not find a matching account or transaction, we will not reply to the 314(a) request. We will maintain documentation that we have performed the required search by printing a search self-verification document from FinCEN’s 314(a) Secure Information Sharing System evidencing that that we have searched the 314(a) subject information against our records.

We will not disclose the fact that FinCEN has requested or obtained information from us, except to the extent necessary to comply with the information request. Our AML Compliance Officer will review, maintain, and implement procedures to protect the security and confidentiality of requests from FinCEN similar to those procedures established to satisfy the requirements of Section 501 of the Gramm-Leach-Bliley Act with regard to the protection of customers’ nonpublic information.

We will direct any questions we have about the 314(a) request to the requesting law enforcement agency as designated in the request. Unless otherwise stated in the 314(a) request, we will not be required to treat the information request as continuing in nature, and we will not be required to treat the periodic 314(a) Requests as a government provided list of suspected terrorists for purposes of the customer identification and verification requirements.

\*Under section 314(a), financial institutions are required to make certain searches of their records upon receiving an information request from FinCEN. As of the most recent update to these procedures, FinCEN did not make regular Section 314(a) requests of dealers in precious metals, precious stones, jewels, and finished goods. Once FinCEN begins making regular 314(a) requests of these dealers, Frontiers Group Trading will implement these policies and procedures.

**c. Voluntary Information Sharing with Other Financial Institutions – USA PATRIOT Act, Section 314(b) (31 C.F.R. §1027.540)**

We may share information with other financial institutions regarding individuals, entities, organizations, and countries for purposes of identifying and, where

appropriate, reporting activities that we suspect may involve possible terrorist activity or money laundering. Before doing so, our AML Compliance Officer will ensure that Frontiers Group Trading files with FinCEN an initial notice before any sharing occurs and annual notices thereafter. We will use [FinCEN's Web site](#) to file these notices. Before we share information with another financial institution, we will take reasonable steps to verify that the other financial institution has submitted the requisite notice to FinCEN, either by obtaining confirmation from the financial institution or by consulting a list of such financial institutions that FinCEN will make available. We understand that this requirement applies even to financial institutions with which we are affiliated. As with non-affiliated firms, we will also obtain the requisite notices from affiliates and follow all required procedures.

We will employ strict procedures both to ensure that only relevant information is shared and to protect the security and confidentiality of this information.

We also will employ procedures to ensure that any information received from another financial institution shall not be used for any purpose other than:

- identifying and, where appropriate, reporting on money laundering or terrorist activities;
- determining whether to establish or maintain an account, or to engage in a transaction; or
- assisting the financial institution in complying with performing such activities.

**d. Geographic Targeting Orders**

As provided in the BSA (31 U.S.C. § 5326(a) and 31 C.F.R. § 1010.370), if the Secretary of the Treasury finds that reasonable grounds exist for concluding that additional recordkeeping and/or reporting requirements are necessary to carry out the purposes of the BSA, the Secretary may issue a Geographic Targeting Order, or "GTO". A GTO may require financial institutions, or other businesses, to file reports of certain transactions conducted by the financial institutions or businesses.

As required by the BSA, any GTO affecting a financial institution shall be directed by the Secretary to the Chief Executive Officer of the financial institution. The GTO shall designate one or more of the following categories of information to be reported: Each deposit, withdrawal, exchange of funds or other payment or transfer, by, through or to the financial institution, which involves all or any class of transactions in funds equal to or exceeding an amount specified in the order.

When Frontiers Group Trading receives a GTO, we will comply with all requirements of the order. Typically, this compliance will include, for a specified time period, keeping records of transactions conducted by Frontiers Group Trading at or above a specified dollar amount and filing reports of these transactions. We will keep records of the covered transactions and their associated report filings for the time required by the GTO.

**e. Regulatory Examinations**

In the course of an examination conducted by an authorized Federal or State Regulator, Frontiers Group Trading shall promptly and fully respond to each

request made by the Regulator for records pertaining to the Firm's business dealings.

While the scope of a request may be extensive, Frontiers Group Trading will strive to provide requested records within 15 business days of any such request. If a Regulator specifies a date for the delivery of any record, Frontiers Group Trading will provide the requested record by the specified date.

## **8. Identity Verification**

We will verify the identities of our customers and suppliers as follows:

### **a. Suppliers**

Before making an initial purchase of \$20,000 or more from any person or entity other than a BSA-regulated dealer or retailer (see §1027.100), we shall use the following procedures to verify the identity of such person or entity:

For a business entity, we shall record the name, address, and tax identification number. We shall verify the identity of the business by reviewing documents that show the existence of the entity, such as certified articles of incorporation, a government-issued business license, or a partnership agreement. In addition, we will request a copy of the supplier's written AML policies and procedures.

For an individual, we shall record the name and address. We shall verify the individual's identity by reviewing and maintaining a copy of an unexpired, government-issued identification document, such as a driver's license or passport.

### **b. High Risk Sales**

For any high-risk (as defined in section 5, above) sale of Covered Goods in an amount exceeding \$20,000 in any calendar year, we shall use the following procedures to verify the identity of the customer:

We will record the name and address of the customer. We will also verify the individual's identity by reviewing and maintaining a copy of an unexpired, government issued identification.

For every large (>\$10,000) cash sale, we will obtain all necessary information from the customer (including the customer's social security or other taxpayer identification number, as required) to enable us to complete and file Form 8300.

For any high-risk sale made to a business entity customer, we shall record the name, address, and tax identification number of the entity. We shall verify the identity of the business entity by reviewing documents that show the existence of the entity, such as certified articles of incorporation, a government-issued business license, or a partnership agreement.

## 9. Checking the Office of Foreign Assets Control Listings

Although not part of the BSA and its implementing regulations, Office of Foreign Assets Control (OFAC) compliance is often performed in conjunction with AML compliance. OFAC is an office of the U.S. Treasury that administers and enforces economic sanctions and embargoes based on U.S. foreign policy and national security goals that target geographic regions and governments (e.g., North Korea, Iran, and Syria), as well as individuals or entities that could be anywhere (e.g., international narcotics traffickers, foreign terrorists, and proliferators of weapons of mass destruction). As part of its enforcement efforts, OFAC publishes a list of Specially Designated Nationals and Blocked Persons (SDN list), which includes names of companies and individuals who are connected with the sanctions targets. U.S. persons are prohibited from dealing with SDNs wherever they are located, and all SDN assets must be blocked.

Before making any purchase from a non-established, non-U.S. supplier, and before making any sale of more than \$20,000 to any non-established, non-U.S. person or business, we will check to ensure that the customer or supplier does not appear on the SDN list and is not engaging in transactions that are prohibited by the economic sanctions and embargoes administered and enforced by OFAC. To perform these searches, we will refer to OFAC's *Sanctions List Search* application found at <https://sanctionssearch.ofac.treas.gov/>. Because the SDN list and listings of economic sanctions and embargoes are updated frequently, we will consult them on a regular basis and subscribe to receive any available updates when they occur. We will also document our reviews.

If we determine that a customer or supplier is on the SDN list or is engaging in transactions that are prohibited by the economic sanctions and embargoes administered and enforced by OFAC, we will reject the transaction and file a [Report of Rejected Transactions Form](#) with OFAC. Within 10 days of rejecting the transaction, we will email the completed form to [ofacreport@treasury.gov](mailto:ofacreport@treasury.gov).

## 10. AML Record Creation and Retention (31 C.F.R. §§ 1010.410, -430)

In its release of the interim final rule, FinCEN wrote:

“The collection of information is the recordkeeping requirement in section [1027.210(a)]. The information will be used by Federal agencies to verify compliance by dealers with the provisions of sections [1027.100 and 1027.210]. The collection of information is mandatory.”

Our AML Compliance Officer or designee will be responsible for ensuring that AML records are maintained properly.

To satisfy BSA recordkeeping requirements, we will create and retain copies of FinCEN Form 8300s, FinCEN Form 114s (FBARs), CMIRs, training materials, lists of training recipients, identity verification documentation for new customers, identity verification documentation for non-regulated suppliers, reviews of high-risk transactions, and any other records required to be made under BSA regulations. We will retain these records and their accompanying documentation for at least five years.

## **11. AML Compliance Officer Designation and Duties (31 C.F.R. § 1027.210(b)(2))**

Frontiers Group Trading has designated Kristina Mitic as its Anti-Money Laundering Program Compliance Officer (“**AML Compliance Officer**”), with full responsibility for the Firm’s AML program. Our AML Compliance Officer has a working knowledge of the BSA and its implementing regulations and is qualified by experience, knowledge, and training. The duties of the AML Compliance Officer will include overseeing all aspects of the Firm’s compliance with AML obligations. Specifically, our AML Compliance Officer is responsible for ensuring the following:

- The anti-money laundering program is implemented effectively;
- The anti-money laundering program is updated as necessary to reflect changes in the risk assessment, requirements of 31 C.F.R. § 1027, and further guidance issued by the Department of the Treasury; and
- Appropriate personnel are trained in accordance with the requirements of 31 C.F.R. § 1027.

Our AML Compliance Officer will also ensure that Frontiers Group Trading keeps and maintains all required AML records. Our AML Compliance Officer is vested with full responsibility and authority to enforce Frontiers Group Trading’s AML program.

When requested by FinCEN, Frontiers Group Trading will provide FinCEN with contact information for our AML Compliance Officer, including: (1) name; (2) title; (3) mailing address; (4) email address; (5) telephone number; and (6) fax number. Following the initial request from FinCEN, Frontiers Group Trading will promptly (within 30 days of a change) notify FinCEN of any change in this information (see [31 C.F.R. § 1010.520\(a\)\(3\)\(iii\)](#)).

## **12. Training Program (31 C.F.R. § 1027.210(b)(3))**

We will conduct ongoing employee training under the leadership of our AML Compliance Officer. Training will be provided on at least an annual basis. Each new employee will be trained within 30 days of the employee’s hire date.

Our training will be based on our business model and customer base. At a minimum, our training will include: (1) a review of BSA regulations governing the precious metals, precious stones, and jewels industry; (2) a description of the money laundering risks found in our business model; and (3) what to do when suspicious activity is encountered.

We will develop training internally, or contract for it. Delivery of the training may include educational pamphlets, videos, intranet systems, in-person lectures and explanatory memos. We will maintain records to show names of persons trained, training dates, and the subject matter of the training.

### **13. Program to Independently Test AML Program (31 C.F.R. § 1027.210(b)(4))**


We will provide for independent testing of our AML compliance program to be conducted on at least a biennial basis. After each test is completed, we will promptly address each of the resulting recommendations and keep a record of how each noted deficiency was resolved.

The testing of our AML program will be performed by SIRS AML Compliance Services (“SIRS”), an independent, third-party service provider, or by another qualified service provider. Since 2007, SIRS has been providing third-party compliance services to financial institutions. One of these services, SIRS’ Independent AML Test, consists of a review in which a Firm’s AML compliance program is compared against BSA criteria.

SIRS’ CEO, Kevin Klundt, is a Certified Anti-Money Laundering Specialist® (“CAMS”) and is a member of the Association of Certified Anti-Money Laundering Specialists (“ACAMS”). He has passed multiple certification examinations and has participated in numerous industry-sponsored regulatory compliance and AML training programs. He has held the positions of Chief Compliance Officer and AML Compliance Officer with a BSA-regulated financial institution.

### **14. Senior Management Approval (31 C.F.R. §1027.210(a))**

Senior management of Frontiers Group Trading hereby approves this AML compliance program as being reasonably designed to achieve and monitor our ongoing compliance with the requirements of the BSA and the implementing regulations under it. This approval is indicated by the signature below.

Signed:   
Name: Jorge Eduardo Restrepo  
Title: CEO  
Date: 1 January 2024