



Fastenaktion
Society for Threatened Peoples (STP)
Rights and Accountability in Development (RAID)
Amazon Watch
DKA Austria
Earthworks
Articulation of Indigenous Peoples of Brazil (APIB)
Swissaid

16 April 2024

Dear Civil Society Colleagues,

Re: LBMA response to concerns regarding human rights abuses and presence of illegal gold in global supply chain

Thank you for sharing your views on the sourcing challenges faced by the gold supply chain. We welcome all comments which support the continued development of the Responsible Gold Guidance (RGG). We are keen to strengthen and continue our engagement with you to support meaningful progress and as we develop the RGG v.10.

Since 2012, the RGG has grown in scope, expanded the impact and significantly improved the due diligence standards for 85%-90% of the global gold production. Unlike other industry programmes, LBMA's Responsible Sourcing standard is a commercial necessity for any major refiner; it allows access to Loco London, the largest marketplace in the world for precious metals, and therefore implementation and enforcement is critical.

As you say, 'LBMA has a key role to play in setting standards for the industry and holding its members accountable.' Recognising the LBMA programme would mean that the EU precious metals industry would be required to observe standards and safeguards in line with global best practice and the EU and other bodies would continue to work with LBMA to support the development of standards over time. Not recognising the LBMA standards would leave the EU industry in limbo without any agreed framework which would be a poor outcome and a retrograde step.

We have highlighted several points below which demonstrate progressive improvements and reflects that the industry is in a better place today than 10 years ago. Of course, we also recognise the need for continuous improvement, but we will continue to ask the EU to recognise this commitment and as part of the recognition process, accept that every programme must be progressive. Please also note, in addition to this letter, the following:

- Annex one – cross references your recommendations.
- Annex two – extract from the Gold Supplement to the OECD Due Diligence Guidance.
- Annex three – LBMA Responsible Sourcing Programme documentation.

1. *Civil society engagement*

LBMA recognises the importance of regular engagement with a broad range of stakeholders as a necessity and welcomes ways to strengthen the oversight and functioning of the Responsible Sourcing Programme for its members and their customers.

Bilateral discussions with civil society organisations (CSOs), such as the one held with several signatories to this letter during last month's LBMA Sustainability and Responsible Sourcing Summit in London, and on previous

occasions, provide the opportunity for frank and constructive exchanges of perspectives. We are always happy for the opportunity for engagement between LBMA and CSOs.

With this in mind, LBMA plans to host a second CSO roundtable during the 2024 OECD Forum on Responsible Mineral Supply Chains to continue these discussions. We plan to focus in particular on how we might implement some of the agreed recommendations for improvement. Further details will be forthcoming but at this juncture, and as discussed at the Summit in March, we would ask those that may be attending the OECD Forum to be aware that we are making arrangements for a lunch on Thursday 23 May.

For those that cannot attend, please note that LBMA intends to host several consultative meetings later in the year as we begin the scoping process for RGG version 10 (RGG v.10). This process will afford you the opportunity to put forward ideas and recommendations for consideration during its development process. You can of course contribute to the debate at any time through normal communication channels.

We would, for example, like to explore and understand how CSOs could be accessed by Assurance Providers (APs) during the course of the annual assurance engagement. As you know, LBMA has approximately 100 Refiners on the LBMA Good Delivery List, each with its own assurance process, and therefore we would like to determine the practical steps needed for CSOs to contribute effectively and efficiently.

We currently ensure that adverse findings from CSOs or other credible reports are raised with each relevant Refiner during that process. In addition, the Physical Committee will also discuss any adverse reports, and has the ability to mandate further investigation and/or a special audit. Please see the Assurance Programme section below for further details. This said, LBMA remains open to exploring ways to reflect the perspectives of CSOs during the KYC review of GDL Refiners' suppliers and looks forward to discussing the modalities of that in Paris.

2. Due Diligence

With respect to the due diligence practices of GDL Refiners, you have suggested that 'many' refineries on the GDL are sourcing from 'questionable suppliers and mines'. We think it important to reference previous correspondence between LBMA and Swiss Aid and Amazon Watch, on 18 April and 9 November 2023 respectively, which has already provided a detailed response to most of the issues raised on this point.

However, we would reiterate that complying with the highest due diligence standards is mandatory for all GDL Refiners. All GDL refiners must constantly review their processes to make sure they address their risk profile and draw on intelligence provided by credible organisations to inform ongoing due diligence, which also includes appointing on-the-ground agents to support their due diligence. GDL Refiners also rely on external feedback to inform their KYC and due diligence practices. For example, LBMA is a partner in the online cross-industry Minerals Grievance Platform (MGP) designed to screen and address grievances linked to minerals supply chains. The MGP enables external stakeholders anonymously to raise any grievances that may concern any GDL Refiner. Every time a concern is raised against either a Refiner or one of its suppliers (including by yourselves in the instances you cite in the letter), LBMA tasks the Refiner to establish the facts of the case and requires evidence of a mitigation strategy if the circumstances warrant. Failure to engage or comply may lead to suspension of a Refiner's GDL status. It is also worth noting that the OECD Guidance encourages responsible sourcing in high-risk and conflict affected areas, not disengagement and de-risking. Boycotting these areas only reroutes flows, it does not change the status quo of gold contributing to conflict and other abuses. Our aim is to break these links through responsible engagement.

The letter alleges that "many" GDL Refiners failed to undertake credible due diligence or mitigation on its suppliers. LBMA is not aware of any credible evidence to support this allegation which, if true, would undermine the Responsible Sourcing Programme (RSP) in its entirety. As a simple fact, it is entirely inaccurate to suggest that LBMA and GDL Refiners are indifferent to mitigation or regular KYC checks (particularly of high-risk suppliers). In every instance where a sourcing breach has been formally raised, LBMA and the GDL Refiners in question have acted in strict accordance with the mitigation requirements and expectations set out in the RGG and the OECD Guidance. This is not only a matter of LBMA rules but reflects a demand for assurance from GDL refinery customers. It is therefore a commercial imperative.

As raised during our recent meeting, it is important to note that a media story containing adverse allegations about a Refiner cannot be considered as factual evidence. Rather it is a starting point for asking questions. A

media story does not automatically result in the launch of our formal and publicly announced Incident Review Process. Following a review of the allegations, and any evidence to support them, including the Refiner's response, the issue is discussed by the LBMA Compliance Panel (ComPan), whose members comprise, CEO, General Counsel, Chief Technical Officer, Head of Responsible Sourcing, Head of Good Delivery and Senior Compliance Associate (who are all commercially independent from any mine or refiner). ComPan then decides whether the allegations, evidence and response taken together merit the invocation and public announcement of an Incident Review Process (IRP). Some media stories are repeats of previous allegations which we have already investigated, and without any additional evidence or claims. Some are rumours circulated due to the intensely competitive nature of refiners. When we publicly announce an IRP, many clients take a conservative approach to not source from the Refiner in question until it is resolved. This makes it vital to only announce an IRP if deemed credible and necessary, following the initial review detailed above.

3. Transparency

It should be recognised, that LBMA has taken many steps to strengthen transparency of the gold supply chain over the last ten years, including the introduction of significant changes in both RGG version 9 (RGG9) and Disclosure Guidance version 2, both of which broadened the reporting requirements expected in a Refiner's annual and public facing compliance reports.

These requirements include targeting the accuracy and transparency of country of origin of data, the disaggregation of recycled material, the disclosure of high-risk suppliers, and enhanced due diligence measures on such suppliers. LBMA's role is to publish the aggregate information for the industry which has a benefit in summarising the flows and thus putting them into context. Individual refinery publication, if required, would be a responsibility for each Refiner.

Public disclosure is part of a wider roadmap, and we are also reviewing how to improve disclosures by LBMA. LBMA is committed to making improvements and phasing greater transparency into future iterations of the RGG, taking into account the data received and the governance around it, as well as our processes and commercial sensitivities.

Following the decision last September by all 33 World Gold Council (WGC) members to publish the names and locations of their refining partners on at least an annual basis, GDL Refiners will now contractually be able to make reciprocal disclosures with their WGC mining partners in the future. We expect them to do so in the next round of audit disclosures.

LBMA remains committed to improving reporting, and therefore better aligning with Footnote 59, under Step 5 of the Gold Supplement to the OECD Guidance¹. However, LBMA does need a better understanding from the OECD on how this should be implemented given the ambiguity of the text which was heavily debated during its drafting. LBMA has written to the OECD to ask that a moderated session be held on this issue at the upcoming Forum in May. It has been many years since this Footnote was last discussed and it would be valuable to get clarity on the various interpretations. Again, we would welcome your support in advancing this discussion at the OECD Forum.

4. Assurance Programme

RGG v.9

A robust and independent assurance programme is critical to the credibility and functioning of the RSP. In 2021, LBMA launched Responsible Gold Guidance version 9 (RGG v.9), and then introduced a suite of additional policies and practices to support the assurance process (see Annex Three).

RGG 9 introduced many changes, for example:

- The elimination of cash transactions except for Artisanal and Small-scale Mining (ASM), where transactions will require approvals (see the full RGG for other exceptions);

¹ OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected Areas

- Clarity on origin of material, such as an integrated approach to risk assessment and strengthen due diligence processes;
- Introduction of the term 'Intermediate Refiner' and the need for an OECD aligned assurance, effectively expanding the mandatory audits to non GDL refiners in the supply chain;
- Clarity on due diligence expectations regarding the responsible sourcing of recycled gold;
- Further detail on ESG risk assessments, noting that these requirements will be further elaborated in RGG v.10;
- Risk mitigation requirements clarified and better aligned with OECD Due Diligence Guidance;
- Mandatory conformance with Disclosure Guidance to promote better reporting practices;
- Rotation of assurance providers every 10 years.

Refiners were provided a year of implementation, throughout 2022, and first set of reports were received in 2023. 2024, will be the second year of reporting, and the first year of disclosures aligned to the disclosure guidance version 2, which was published in 2022.

In 2022, we committed to updating RGG v.9 with RGG v.10, as already highlighted above. During the development of this next version, we also intend to review all the supporting implementation tools, for example, the Compliance Template, and reflect on your recommendation on disclosure regarding engagement with communities and workers. At this point, we would also welcome further feedback for review.

Assurance Provider Training

LBMA understands that the assurance is only as good as the assurance provider. As a result, over the years we have strengthened our training programme for all assurance providers.

We have revised the annual mandatory training for APs. Rather than work in conjunction with a third-party provider, LBMA brought the process in-house by developing the curriculum and designing an e-learning platform. The on-line training modules were supplemented by a live case study session with a trained assurance provider who had supported LBMA in the drafting of the RGG9. The case-study based training has been highly effective, to help draw out more questions from APs and also highlight our expectations in line with the Third Party Audit Guidance. In addition, LBMA has undertaken shadow audits, which has helped to inform the case studies used in our training programme. In line with a recommendation made in the first OECD-EU alignment assessment, LBMA also increased the minimum pass threshold of the training exam from 70% to 80%. Those that scored below the minimum threshold were removed from the list of Approved Service Providers.

In addition, we support the Assurance Provider's understanding of the gold market, and the particular Refiner they are engaged with, by sharing any potential red flags, adverse stories, and generally any relevant information that will inform a credible assurance and not compromise their independence.

Assurance provider rotation

As described above, LBMA introduced the requirement for an assurance provider rotation of 10 years to promote assurance provider independence and audit quality, which is in line with the EU regulations for financial audits. We therefore adopted the 10-year rotation as a matter of best practice globally.

Currently, LBMA has 27 assurance providers approved, not all with global remit. This is based on the AP's experience and country licensing requirements. To shorten the rotation period, means that considerably more assurance providers would need to be added to the list whilst ensuring they have the relevant experience and understanding. LBMA believes there are not enough qualified assurance providers currently to support a shorter rotation period. However, we are open to working with other audit programmes and addressing AP capacity issue more widely (as was discussed at the OECD in Paris, last February)

5. *Origin of Gold:*

Recycled Gold

RGG9 introduced additional due diligence measures on recycled materials, most notably the requirement that GDL Refiners ensure that their high-risk suppliers (Intermediate Refiners) undertake an OECD-aligned assurance

of their supply chains. This extends due diligence practices to the secondary market which was previously outside any due diligence framework. While this measure is relatively new, we will commit to tighten these requirements based on future experience.

With respect to a new definition, the OECD and LBMA define recycled gold with regard to due diligence requirements, not for product claims. Product claims are being discussed by many groups, but LBMA supports the process currently being carried out on this by the ISO 21261 Working Group.

During RGG 10, we will revisit our Recycled Gold definition, in light of the ISO process, to note the difference between secondary material for due diligence purposes and “recycled” material for product claims. We continue to welcome feedback, however, on how some of our other definitions can be clarified during the development of RGG 10. It is worth noting that definition of recycled gold is not the end game; the focus has to be on how the controls are managed of non-recycled gold getting into refineries. The due diligence on recycled gold is as critical as on ASM supplies.

Reporting Data

LBMA requires GDL Refiners to report where the gold (and silver) was extracted from the host material. This results in countries that have no operational mines being cited for Country-of-Origin purposes, as the gold they have reported is by-product. For example, Smelter/Refiner operations will take in material which is low grade in terms of precious metals and upgrade it through “smelting-type” processes into refinery feedstock (doré). The Refiner, however, must understand the supply chain in its entirety to have comfort. The GDL Refiner may also take material from an Intermediate, non-GDL Refiner which is also located in a Country where no mines exist. LBMA will query any gold reported as mined gold from countries where no mines exist.

From RGG9:

Mining By-product: Gold obtained from the mining of base metals, for example, from lead, zinc or copper ore, in which gold may be a trace constituent.

Origin of Mining By-product: This is an exception to the Origin of Mined Gold definition above. It is the point at which trace gold is first separated from its parent mineral ore (for example, at the refinery). The Refiner’s due diligence should ensure that false representations are not made to hide the origin of newly Mined Gold through Mining By-products.

Refiners will take low-grade, in terms of gold, base metal concentrates for extraction of the base metal(s) and subsequent extraction of the precious metals. Country of Origin becomes the country where the (intermediate) refinery is located. This is in line with customs codes for origin of mined material.

Since, 2022 reportable data requires more granularity from Refiners to demonstrate their understanding of their supply chains, which includes breaking down mined gold into by-product. LBMA has increased capacity to ensure that data that is not clear attracts the correct level of scrutiny.

However, looking ahead, and as we develop RGG 10, we welcome input on additional data points.

6. Conflict of Interest:

LBMA already has policies in place to address the conflicts of interest that you raise. No Refiner undergoing an IRP, or one of their competitors, is allowed to participate in the decision-making process overseeing their GDL status. The same applies for other Board members that may have any commercial relationships with a Refiner under review.

We would refer you to the [Terms of Reference](#) for the Sub-Board and the current [conflict-of-interest policy](#) to gain greater understanding and comfort on these matters. For the avoidance of doubt, the Sub-Board group is entirely made up of Independent Non-Executive Directors and LBMA Executive Directors, therefore mitigating conflicts of interest. Where any of the sub-group have outside interests that may conflict with the Refiner in question, or the source of material to be refined by that Refiner, they are also recused from the decision-making process.

7. **Governance and Awareness Raising:**

In reviewing your concerns, we note several relate to the mining and trading of illicit gold from artisanal and small-scale mining (ASM) sources. We share this concern and our suspicion is that human rights abuses are much more commonplace – indeed endemic – in illegal artisanal or small-scale mining. That’s why two years ago we launched our ASM Initiative to address the governance challenges this market poses to legal supply chains. In doing so LBMA explicitly seeks to address your concerns raised about the role secondary markets play in mis-categorising this material as recycled gold.

But let us all be clear, keeping ASM out of the GDL system does not mean it will stop, nor would it do anything to address human rights abuses. The only way to make progress is to identify and help develop responsibly produced ASM material and then to bring it inside the legitimate market where responsible sourcing standards can be applied.

Our initiative represents the most concerted effort by any industry group to date to support engagement with legitimate ASM actors. At the Summit last month, we released the first fruits of this engagement: an “ASM Toolkit” that will support GDL Refiners and their ASM suppliers during the due diligence assessment. The Toolkit—in line with the OECD Due Diligence Guidance—has incorporated a progressive improvement approach to the implementation of certain requirements, allowing ASM suppliers to meet them overtime, rather than at the point of onboarding by Refiners.

The work is making incremental progress, but of course more needs to be done before we can declare success. We cannot do it alone, and welcome your support, as well as that of local state authorities, as we attempt to move towards better outcomes.

LBMA understands the attraction gold holds to criminal networks. We take this reality seriously and continuously seek appropriate ways to mitigate and respond to all governance challenges as we are made aware of them. Every new iteration of the RGG has introduced additional measures or stricter due diligence requirements in response to identified limitations or evolving expectations. RGG9, for example, added approximately 40 additional pages of requirements compared to its predecessor. These new requirements are a direct response to earlier recommendations for improvement, including those made from industry stakeholders such as yourselves.

We would also draw your attention to the [Sourcing Advisory](#) LBMA published in January 2024. The Advisory highlights potential sourcing risks gleaned from media and CSO reports, or through market intelligence, that we believe should be brought to the attention of Refiners and assurance providers.

The inaugural issue covered a range of issues including the loopholes in the so-called “Good Faith Law” in Brazil that emboldens illegal gold mining in protected environmental and culturally protected areas in the Amazon, as referenced in your letter. We recommend you consult the Advisory to better understand the various efforts LBMA has undertaken to broaden awareness of sourcing vulnerabilities in the gold sector. However, we are also aware that due to negative stories, some Refiners prefer not to source ASM, citing it as too difficult, even in the case of well-managed ASM projects. We will continue to work to add ASM capabilities, where suitable sources can be proven, and with this, we welcome CSO input.

We raise these examples to demonstrate that credible evidence of wrongdoing or sourcing threats are never ignored or dismissed out of hand by LBMA but are thoroughly investigated. Any significant adverse report linked to a GDL Refiner is investigated internally and discussed by our Compliance Panel, where a decision can be made to invoke an IRP if the incident warrants it. In 2023 three such incidents met that threshold, with the invocation and closing of the IRP publicly announced on our website.

Looking forward

We want to assure you that your recommendations will be given due consideration during the review and drafting of RGG10 next year in the context of the Good Delivery Brand. Some - such as your suggestion to disclose payments to governments under the EITI - are already in the existing RGG. We certainly endorse, for example, with your suggestion for improved engagement between Refiners and civil society to better understand the local contexts from which they source. We welcome further opportunities to engage on constructive and pragmatic ways to improve the RGG and collaborate on areas of shared interest or concern.

Thank you again for your letter to LBMA, and we look forward to your response on how we can work together to advance more responsible business conduct in the global precious metals market.

Yours sincerely,



Ruth Crowell
Chief Executive
LBMA

Annex One: Civil Society Recommendations as per letter dated 18 March 2024

1	<i>Refiners should be required to engage with communities and workers (and the NGOs and trade unions supporting or representing them) for each of their on-site visits, not only in high-risks areas. The refiners' Compliance Reports should routinely include a public update on this engagement, and assurance providers should seek to independently verify such reports and raise questions where this is not possible.</i>	See section 2 (Due Diligence) See section 4 (Assurance Programme)
2a	<i>Refiners should be required to disclose the identified risks and any mitigation for each mine from which they source their gold (for mined gold) and for each of their high-risk suppliers (for reprocessed gold).</i>	Refiners disclose the risks and mitigation for each supplier to the Assurance Provider, as expected under the OECD guidance. The Assurance Provider then selects a sample of suppliers in line with the LBMA Third-Party Audit Guidance.
2b	<i>Refiners should be required to disclose their Country of Origin Annex publicly and this should include the names of the mines they source from, as a minimum. In the Responsible sourcing reports, the LBMA should no longer aggregate the information about the origin of the gold and instead, this information should be published for each individual GDL refinery.</i>	See section 3 (Transparency)
2c	<i>In order to be fully aligned with the OECD Guidance, refiners should be required to disclose the name of their suppliers in red flag locations.</i>	See section 3 (Transparency)
3	<i>Refiners should be required to disclose the precise origin (countries and suppliers) of the gold, i.e. the mine of origin (for mined gold) or the point where the gold re-enters the market (for reprocessed gold) when they source gold from an intermediary supplier</i>	See section 5 (Origin of Gold)
4	<i>Diversify the LBMA Board in order to reduce conflicts of interest and publish a clear conflicts of interest policy, that includes safeguards to ensure independence and transparency in respect of compliance issues.</i>	See section 6 (Conflict of Interests)
5	<i>Publish in full all Incident Review procedures, announce all Incident Reviews, publish details of complaints (with adequate safeguards to protect the security of complainants), the responses received, and all assessments and investigative reports in full, as well as provide reasoned conclusions.</i> <i>The LBMA should apply RGG provisions on the suspension of trade as a priority so that refiners cannot continue to trade with tainted suppliers, clarify its sanctioning regime, and move to enforcement when refiners fail to comply, including publicly reporting on applied sanctions.</i>	See section 3 (Transparency) The second part of this recommendation is not clear to us and would warrant further discussion.
6	<i>Assurance providers should be required to consult civil society organisations and consider their inputs during the audits. More trainings</i>	See section 1 (civil society engagement)

	<i>should be put in place for assurance providers and existing trainings should be improved so that assurance providers better understand gold supply chains risks</i>	
7	<i>The LBMA should disclose detailed audit findings allowing for external scrutiny. In particular, management reports, refiner's Country of origin Annex, corrective action plan and special audits should be made public.</i>	Public disclosures are in line with the OECD requirements.
8	<i>The LBMA should take steps to reduce these risks by reducing the number of years to four that the same assurance provider can assess a particular company (currently refiners must rotate Assurance Providers only every ten years) and by assigning the assurance providers (from the Approved Service Provider List) to the refineries.</i>	See section 4 (Assurance Programme)
9	<i>Adopt the PMIF definition of recycled gold and strengthen the due diligence requirements for reprocessed and recycled gold.</i>	See Section 5 (Origin of Gold)

Annex Two: Extract taken from the Gold Supplement of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected Areas

STEP 5: REPORT ANNUALLY ON SUPPLY CHAIN DUE DILIGENCE:

Objective: To publicly report on due diligence for responsible supply chains of gold from conflict-affected and high-risk areas in order to generate public confidence in the measures companies are taking.

A. Annually report or integrate into annual sustainability or corporate responsibility reports, additional information on due diligence for responsible supply chains of gold from conflict-affected and high-risk areas, with due regard taken of business confidentiality and other competitive or security concerns. [Footnote 59 explains what it means with respect to section business confidentiality and other competitive or security concerns.]

*Footnote 59. Business confidentiality and other competitive or security concerns means, without prejudice to subsequent evolving interpretation: price information; supplier identities and relationships (**however the identity of the refiner and the local exporter located in red flag locations should always be disclosed except in cases of disengagement**); transportation routes; and the identity of information sources and whistle-blowers located in conflict-affected and high-risk areas, where revealing the identity of such sources would threaten their safety. All information will be disclosed to any institutionalised mechanism, regional or global, once in place with the mandate to collect and process information on minerals from conflict-affected and high-risk areas.*

LBMA Commentary: The section highlighted in bold has been done so by LBMA. RGG v.9, step 5, (page 38) requires this information to be disclosed to the LBMA. 2022 was the year of implementation and policy commitment to disclosure this data. In 2023, LBMA expected for all relevant contractual changes to be made and reporting to LBMA to be done in 2024.

RGG 10 will then be focused on 'fuller' public disclosure. We actively encourage refiners to do this as soon as they are able, but it will be mandatory in RGG 10.

Annex Three: LBMA Responsible Sourcing Programme

To support the implementation and effective governance of RGG v.9 LBMA launched a suite of policies and practices to support the assurance process last December. They included:

- **An Assurance Provider Toolkit (AP):** This document supports an AP in fully discharging duties during an assurance engagement, including guidance on scrutinising new reporting requirements and how to challenge a Refiner in instances of disagreement or concern.
- **A Pre-assurance form (PAF):** APs are required to complete the PAF one month in advance of an assurance, outlining to LBMA details of the engagement such as dates, the allocation of assurance providers, their assurance plan, proposed sample size, and a landscape risk assessment of any adverse news related to the Refiner.
- **A Non-conformance template:** Completion of the template outlines the nature, severity and corresponding subsection of the RGG for all non-conformances (NCs) identified during an assurance. This information is used by LBMA to publicly disclose the number and types of NCs in publications such as our annual report. It is also used to identify areas for improvement by either Refiners or LBMA and informs future training sessions and iterations of the RGG.
- **A Country of Origin template:** In the interests of improving data transparency, this template supports Refiners in providing more accurate and disaggregated data to LBMA as part of their annual assurance. It also provides further consistency with new data disclosure requirements introduced in RGG9 and DG2, especially with respect to the correct classification of materials and their origin.
- **Enhanced Oversight:** LBMA introduced further oversight and enforcement measures to defend the assurance programme. For instance, beginning in early 2023, we committed to shadowing a minimum of three assurances a year to monitor assurance provider performance and identify areas of improvement for either their training or future iterations of the RGG. LBMA has also enforced standards by removing or limiting the scope of practice for assurance firms or individual providers who either fail to meet the training requirements or fall short of our professional expectations. **Eleven APs have been removed from the List of Approved Service Providers since the start of 2023, while two firms have had their scope of practice limited, including as recently as February 2024.**

Taken together all these measures have been implemented to support both the knowledge of assurance providers and develop the thoroughness of the pre and post review of their assessments.