

SCO - "NON-NEGOTIABLE GOLD BULLION OFFER"

COMMODITY	(AU) GOLD BULLION BARS (Not in the GDL Banking System)
SIZE	12.5 KG OR 1 KG GOLD BULLION BARS
HALLMARK	INTERNATIONALLY RECOGNIZED HALLMARK
ORIGIN OF GOLD	WEST AFRICA. NON – CRIMINAL ORIGIN
AGE	MORE THAN 5 YEARS AND LESS THAN 5 YEARS (BOTH OPTIONS)
CURRENT LOCATION	STOCK HELD IN A PRIME CUSTODIAN BANK'S VAULT / WAREHOUSE; ADDRESS SHALL BE DETAILED IN THE SAFE-KEEPING RECEIPT (SKR).
PRICE & DISCOUNT	FOR BULLION OVER 5 YEARS: LBMA, 2ND FIXING OF THE DAY 14% GROSS AND 11% NET TO BUYER FOR PURITY 999.96 / 1000 (MIN). FOR GOLD HALLMARKED LESS THAN 5 YEARS: LBMA, 2ND FIXING OF THE DAY 12% GROSS AND 9% NET TO BUYER FOR PURITY 999.96 / 1000 (MIN).
DELIVERY DESTINATION (BULLION ONLY)	FOB: SINGAPORE, USA, DUBAI, HK, GERMANY, SWITZERLAND.
TOTAL QUANTITY AND CONTRACT PERIOD	- TRIAL DELIVERY: 1MT - MONTHLY DELIVERIES FROM 10MT UP TO 500 MT - CONTRACT PERIOD FROM 12 MONTHS UP TO 60 MONTHS
PAYMENT GUARANTEE OPTIONS AVAILABLE PLEASE CHOOSE ONE	PRIME BANK PAYMENT GUARANTEED BY 100% CONFIRMED, IRREVOCABLE: 1. BG MT760 2. SBLC MT760 3. DLC MT700 4. MT103 ON LEDGER TO LEDGER (Only with HSBC or Deutsche Bank) 5. MT799 BLOCKED FUNDS 6. REFUNDABLE CASH INDEMNITY DEPOSITS OF EURO \$450,000
CURRENCY	THE LEGAL CURRENCY OF THE UNITED STATES OF AMERICA (USD) (\$) OR EUROS (€)
AGENTS' COMMISSIONS	TOTAL AGENTS' COMMISSIONS OF 3%; (1.5% TO SELLER'S AGENT(S) (CLOSED) 1.5% BUYER SIDE (OPEN). THE % OF THE PURCHASE MANDATE AND THE DIFFERENCE ARE SHARED IN 3 GROUPS AMONG THE INTERMEDIARIES. WILL BE PAID BY THE SELLER UNDER SEPARATE IMFPA UPON FULL PAYMENT

A. TERMS & CONDITIONS

1. PURCHASE PRICE IN EUROS.

Shall be, based on the Second Fixing of the London Bullion Market Association "LBMA" on the day of closing priced in Euros, as pegged to United States Dollars.

2. DISCOUNT.

The Product is offered by the Seller to the Buyer, with a 14% GROSS AND 11% NET for gold over 5 years and 12% GROSS AND 9% NET for gold less than 5 years, discount from the Second London Fixing of the price of gold per Troy Ounce as quoted by LBMA on the date of each respective Lift, Transfer, or Delivery to the Buyer.

3. COMMISSIONS:

Seller (as agreed) shall pay Seller side 1.5% (closed) and Buyer's side 1.5% (open) of the purchase price, as per the terms of the Agreement and the Non-Circumvention Non-Disclosure Irrevocable Master Fee Protection Agreement (the "NCND/IMFPA").

4. STORAGE: PRIME BANK / WAREHOUSE VAULTS.

5. TRANSACTION PROCEDURES.

The Seller and Buyer solemnly agree as follows for FOB DUBAI, SINGAPORE, USA, HK, GERMANY or SWITZERLAND:

- A. Seller issues FCO to Buyer.
- B. Buyer returns the FCO signed and sealed to Seller along with Buyer's LOI and CIS.
- C. Upon receipt Seller IMMEDIATELY issues Sales and Purchase Agreement "SPA + NCNDA + IMFPA"
- D. for Buyer to review, accept, initial and return to Seller.
- E. Both Parties exchange the executed the SPA/NCNDA/IMFPA and negotiated SPA filling in their respective coordinates, including but not limited to; banking information, International color passport copy, Company Trade License or Company Certificate of Incorporation.
- F. SPA is lodged into both Buyer and Seller Banks.
- G. Buyer's Bank issues via SWIFT the Payment Guarantee option chosen as Payment Guarantee to Seller's nominated Bank for the trial delivery of XX MT to be followed by monthly tranche of XXX MT.
- H. Upon receipt and authentication of the Buyer's Payment Guarantee with the SWIFT documents, the Seller's Gold Bars Custody Bank shall issue to the Buyer a Depository Confirmation Letter (DCL) along with Authority To View - "ATV" AND evidence of Proof Of Product "POP" via SWIFT MT600 to Buyer's Bank and copy made available by email to Signatory Buyer only.
- I. Within three (3) banking days the Buyer or his Appointed Agent will be invited by ATV to the Vault/Gold Bullion storage facility of the Custodian Bank, for physical inspection.
- J. After, Post Inspection and acceptable Assay Report, Buyer instructs his bank to RELEASE payment for the Gold Bullion into the Sellers Nominated Bank Account, via SWIFT MT103 while the Payment Guarantee chosen instrument revolves until the entire quantity is exhausted, with tranches as per refinery schedule, to be determined.
- K. Parties execute the change of Title of Ownership between Seller and Buyer, upon each settlement.

Please read these FAQs before signing up for our FCO

- 1) **Buyer needs a copy of the SKR from the Seller, and the buyer will show POF. Can the Seller show Proof of Product i.e., the SKR?**

The procedure says that the Buyer will be sent a copy of SKR via MT 600, an invitation for TTM and ATV to view and assay the gold **AFTER the payment guarantee is emplaced**, NOT before.

- 2) **Can the buyer get a copy of the SKR as proof that the Seller has the gold?**

This is a question of which one comes first. In Swiss procedures, the POP comes first then POF. But this Seller like most other sellers is not selling based on Swiss Procedures. In many cases, buyers have to demonstrate their financial capability to buy the gold first even before moving to SPA stage. This seller is flexible in the sense that after LOI is approved by the Seller, SPA will be given to the buyer within 24 hours. **Buyers will only get the SKR, invitation for TTM and ATV to inspect the gold direct from the seller's fiduciary bank after placement of payment guarantee.**

- 3) **Buyer wants ledger-to-ledger transaction procedures. Is that possible?**

No, but buyer can opt for options without payment guarantee i.e. refundable insurance indemnity deposits.

- 4) **Why need to have a payment guarantee.**

A payment guarantee is needed to ensure only those serious buyers who are RWA-ready can submit their LOIs to buy gold from the seller. There are just too many **FAKE buyers shopping around for Seller's details pretending to be buyers. Buyer facilitators got no commission from fake deals so it's better to work on offers with a payment guarantee which are genuine.**

- 5) **My buyer wants to buy based on Swiss procedures. Is that possible with this Seller?** No. We don't sell based on Swiss procedures. We sell strictly based on Payment Guarantee based procedures. There are not many Sellers who sell based on Swiss Procedures as most sellers prefer the assurance of getting paid rather than be exposed to the risk of nonpayment.

- 6) **The buyer is in Dubai now. Can the buyer meet the seller in Dubai?**

The meeting can only take place **AFTER the payment guarantee is emplaced by the buyer.**

- 7) **Where is the gold now?**

The gold stock is held in a Prime Custodian Bank's Security Vaults / Warehouse in Dubai, Hong Kong, Zurich, USA and a few other locations. Exact location will only be made available to buyers via SKR from seller's fiduciary banks only after payment guarantee is emplaced. For security reasons, Seller will not disclose the exact location of the gold to the buyers until buyer's payment guarantee has been emplaced.

8) What is the exact quantity of gold in each location?

When the buyer's LOI is accepted by the Seller, it will mean that the Seller has the quantity needed to supply to the buyer per buyer's LOI. Exact quantity fluctuates over time and such information will not be disclosed due to security reasons. It is also not relevant for buyers to know in advance.

9) Is this offer real and how do you know that the Seller is legit?

The Seller is easily accessible and contactable but through his authorized mandate. He is from UK but residing in Spain. He has over 30 years' experience in gold business. If you look at the procedures, there is a fiduciary party involved in these gold transactions which adds to the safety of the deal. **A fiduciary party is a trustee who acts for both the investor (s) who financed the gold purchase and the Seller- Owner. The procedures have been vetted and approved by both the Seller-Owner and investors/financiers and compliance to be strictly enforced by the fiduciary party or fiduciary bank so that the interest of the financiers/investors, seller owner as well as the buyers are protected.** The seller can only act within the ambit of the approved procedures and that explains why the procedures are Not Negotiable.

10) We want to know who the FIDUCIARY parties are and where they are.

A lot of confusion arises on the role of fiduciary party. Some think that a fiduciary party is the seller's OTG representative and hence wanted to meet him face-to-face.

A fiduciary party in this case is not an individual but **a registered body or a corporation** who has been appointed with certain mandates or tasks by both the seller-owner and the investors or financiers. The fiduciary in this case is actually **a trustee** to both seller-owner and investors/financiers and they control the SKR, and funds from sale of the gold and the administration of the sales procedures. **This is by far the safest transaction procedures for gold deals as the fiduciary party or trustee ensure everything goes by the book and the interest of seller-owner, investors/financiers and the end buyer is protected.**

11) The Seller uses fiduciary party account in the SPA which may create confusion that it is a third- party account, hence may be rejected by bankers. What should the buyer do in this circumstance?

The SPA is a legal contract and as such it is legally correct for the buyer's bank to send payment guarantee or actual payment to the seller's fiduciary account which is provided in the seller's banking coordinates in the SPA.

Payment to the seller's fiduciary account is legally taken as payment to the seller and the seller is obligated to perform the contract and deliver the gold upon confirmation of receipt of the payment guarantee (and actual payment).

12)

13) What type of payment guarantees are accepted by the Seller?

- 1. MT 760 SBLC**
- 2. MT 760 BG**
- 3. MT 700 DLC**
- 4. MT 799 BLOCKED FUNDS**

5. MT103 ON LEDGER TO LEDGER PAYMENT GUARANTEE (ONLY HSBC OR DEUTSCHE BANK)

Only SBLC MT 760 and MT103 L2L Attracts 2% PB.

14) Is there any other option that does not come with a payment guarantee?

Yes, buyer can choose an option to pay refundable cash deposits of Euro 450,000. This sum of Euro 450,000 is to be paid to the seller's fiduciary account and is to be used for insurance payment and logistics only when the buyer defaults. The transaction will need to go through the same procedures of LOI / CIS, RWA and SPA. Once payment by buyer has been confirmed by the fiduciary bank, the seller will begin the gold shipment to the buyer's destination. This option is suitable for quantities up to 200 MT per month. This option must be clearly stated in the LOI.

This option is by far the safest and cheapest option as the deposits is refundable and is paid to the seller's fiduciary account, not the account of the Seller.

15) Is option by cash indemnity deposits safe?

Yes, money is safe. It is purely to be used for insurance premium payment and logistics to lift the gold back to the seller's gold vaults if the buyer defaults and is paid not to the seller personal account but to the seller's fiduciary account which is under control by the fiduciary party or trustee. The money will be kept in the fiduciary account and cannot be touched by the Seller until the Seller has provided relevant supporting documents that the buyer has defaulted in paying for the gold. Once the contract has expired and both buyer and seller have fulfilled their respective obligations, the cash indemnity deposits will be refunded by the fiduciary bank directly to the buyer.

16) My buyer doesn't want offers with any "upfront".

Refundable insurance indemnity deposits are different from the so-called "upfront" payment. **This indemnity payment is revolving** and **replace the payment guarantee** whereas "upfront" is not. The upfront is not revolving and is normally paid directly to the seller whereas in this case the indemnity payment is paid to the 'trustee' or fiduciary party.

17) What is the minimum and maximum order quantity?

HALLMARKED GOLD BULLION BARS

Minimum Trial: 1 MT

Minimum Monthly: 10 MT

Maximum Monthly: 500 MT

Minimum Contract Period: 12 months

Maximum Contract Period: 5 years.

- L. The seller pays the Seller Side Nominated Beneficiaries in the IMFPA or to the Nominated Paymaster of the Beneficiaries. Buyer pays the Buyers Side Nominated Paymaster of the Buyer Beneficiaries.
- M. Once the **XX MT** is completely delivered to Buyer, the **SWIFT MT XXX** shall be vacated at the final transaction unless both parties agree to extend the contract.
- N. TRANSACTION CONCLUDED.

6. DOCUMENTS:

All tranches of au metal shall be accompanied by but not limited to the following documents:

- a) Certificate of Purity
- b) Weight and size of each Gold Bar
- c) Certificate of Legal Ownership
- d) Serial Number per Gold bar
- e) Year of manufacture
- f) Certificate of Origin and Internationally accepted Assay stamp of the refinery
- g) Warehouse Safekeeping Receipt (SKR) from storage warehouse
- h) Commercial Invoice and or similar made out to the Buyer
- i) Packing list and packing specifications (for uplifting)

7. TRANSACTION CONFORMITY WITH INTERNATIONAL REGULATIONS:

The Seller and the Buyer each declare to one another that the commodity offered herein for sale and the origin of the funds used for purchasing the commodity do not contravene any of the following LAWS or any other illegal or criminal activity:

- a) The Drug Trafficking Act of 1986;
- b) The Criminal Act of 1988;
- c) The Prevention of Terrorism (Temporary Provisions) Act of 1989;
- d) The Criminal Justice (International Cooperation) Act of 1990;
- e) The Criminal Justice Act of 1993;
- f) Trade Secret of 1979: Economic Espionage Act of 1993 [18 U.S.C. 1839 (3)]
- g) The Anti-Terrorism Act and the Patriot Act I and II.

NOTE:

THE BUYER MUST UNDERSTAND THE PROCEDURES CLEARLY BEFORE ACCEPTING THE SELLER'S TRANSACTION PROCEDURES **(PLEASE READ THE FAQ DOCUMENT ATTACHED TO THIS SCO). THERE WILL BE A PENALTY ESTABLISHED IN THE AGREEMENT FOR BOTH PARTIES IN CASE OF CONTRACT BREACH.**

Please keep in mind that this procedure is non-negotiable, if you want to move forward please issue a LOI indicating the monthly amount required, the delivery country and name of the bank that will issue the PG addressed to: (Ask Us).