



**Honorable Mary L. Schapiro**

Chairman

9<sup>th</sup> December 2011

Dear Chairman Schapiro

The organizations submitting this letter represent the leading worldwide gold industries, from mining and refining through investment, manufacturing and retail sales. We are all engaged in initiatives aimed at removing the financing of conflict and human rights abuses from gold supply chains. We are also among the many advocates for the use of the OECD Guidance to define due diligence in the final rule implementing Section 1502 of the Dodd-Frank Act. Indeed, we are already aligning our own initiatives to the OECD five step process: the World Gold Council Conflict-Free Gold Standard; the Responsible Jewellery Council Code of Practices and Chain of Custody Initiative; and the London Bullion Market Association Responsible Gold Guidance.

#### **Alignment with the OECD Guidance**

As indicated in our letter of 28<sup>th</sup> October, 2011, we believe that the alignment of public and private initiatives with the OECD Guidance is important to achieving the goals of the Dodd-Frank Act with respect to so-called “conflict minerals”. Such alignment should help to bring about worldwide, supply chain, due diligence efforts, with focus and resources directed to common and practical solutions resulting in a more level playing field among competing multinational enterprises. Alignment will reduce administrative burdens caused by disparate requirements and definitions and will address the risk associated with changes in buying practices for gold produced in conflict-affected and high-risk areas.

#### **Draft OECD Guidance Gold Supplement Now Available**

Further to our letter of 28<sup>th</sup> October, 2011, we would like to inform you that the Draft OECD Gold Supplement is now available online on the OECD website for public comment until 19 December 2011. We encourage the Commission to review the supplement so that you may consider its contents in the development of your final rules regarding Section 1502. We attach a copy of the guidance for your reference.

[www.oecd.org/document/60/0,3746,en\\_2649\\_34893\\_49137660\\_1\\_1\\_1,1,00.html](http://www.oecd.org/document/60/0,3746,en_2649_34893_49137660_1_1_1,1,00.html)

#### **OECD Adoption Process**

The OECD Working Group on Gold is in its final round of comments. Once comments have been integrated by the Drafting Committee, the final draft of the Supplement on Gold will be circulated at the end of December to the OECD-hosted working group for final endorsement on a no-objection basis. Once the Supplement on Gold is finalised and endorsed by the OECD-hosted working group on gold, it will be submitted to the OECD Investment Committee and Development Assistance Committee for their approval, and subsequently to Council for formal adoption.

#### **Effective Date of Final Rule as it Relates to Gold**

Once the guidance has been finalized, the various industry schemes required for its implementation can also be finalized, and guidance and training materials sent out to relevant supply chain participants. Given the complexities of the gold supply chain, several months should be allowed for the creation of relevant management systems and controls, so as to ensure that the new requirements are implemented effectively.



We therefore suggest that the Commission make the final rule applicable to gold at the beginning of an issuer's first full fiscal year following adoption and issuance of the OECD Gold Supplement. This would be a part of a more broadly-applicable, specific statement by the Commission that due diligence in conformity to the OECD Guidance and its mineral supplements would be recognized as satisfying the due diligence required by the final rule, and as a credible assurance that a supply chain does not contribute to conflict or serious human rights abuses.

Finally, if we can be of further assistance to the Commission with regard to gold supply chains and due diligence, we would be pleased to respond to any questions or requests.

Sincerely,

Handwritten signature of Aram Shishmanian.

Handwritten signature of Stewart Murray.

Handwritten signature of Michael Rae.

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