

# FREQUENTLY ASKED QUESTIONS

# JewelPAC<sup>®</sup>

Presented by  
Jewelers Mutual Group | Jewelers Vigilance Committee

Did you know most jewelers are required to comply with Anti-Money Laundering (AML) laws under the USA PATRIOT Act? Due to the shift in how business gets done, it's a good idea to review your current program or determine if you need one.

The JewelPAC<sup>®</sup> program from the Jewelers Vigilance Committee (JVC) and Jewelers Mutual<sup>®</sup> Group will make the entire process easier. This document provides answers to questions specifically about the program. If you have general questions about how the laws work, please **visit [jvclegal.org](http://jvclegal.org)**.

## OVERVIEW

### What are Anti-Money Laundering laws and why do I need to comply with them?

Dealers in precious metals, precious gems, and finished jewelry must comply with the anti-money laundering regulations. These regulations are codified in the U.S. Code at 31 CFR Chapter X § 1027, and they come from two different laws: the Bank Secrecy Act (passed by Congress and signed into law in 1970) and the USA PATRIOT Act (passed by Congress and signed into law in 2001.)

All precious metals/gems/jewelry dealers have been required by law to be compliant since January 1, 2006. Enforcement of these regulations is done by the IRS, and often businesses are

asked to prove their compliance with their banks in order to continue their banking relationships.

Dealers who buy and sell more than \$50,000 of precious metal, precious gems/jewels, and finished jewelry for which 50% of the value is derived from precious metal, gems or jewels ("covered goods") in a year must comply with Anti-Money Laundering regulations. Retailers are exempt from the regulations unless they purchase and sell \$50,000/year or more in covered goods directly from foreign suppliers, estate/bankruptcy sales and government auctions, or directly from the public.

## ABOUT THE PROGRAM

### What are the options and how much do they cost?

- **First-Time Full Bundle:** \$750 (for a first-time client)
- **Employee Training Bundle:** \$250 (to train an additional employee – must have completed a First-Time Full Bundle)
- **Annual Renewal Bundle:** \$500 (for returning clients who have previously completed a First-Time Full Bundle)

### How do I get started?

- To purchase a First-Time Full Bundle, start at **[JewelersMutual.com/JewelPAC](http://JewelersMutual.com/JewelPAC)** and select the "Purchase a Program" button and follow the prompts
  - ▶ If you are not a JM<sup>™</sup> Shipping Solution or TransGuardian.com user, please create a free account.
- After your purchase is complete, click "My Sessions" from the PATRIOT Act Compliance page to view your modules (scroll down to the bottom of the page if you have multiple bundles).
- Click the green arrow in the "Start Test" column to start a module.

### How long does it take?

Most people complete it within 2-3 hours. However, you do not have to do it all at once. If you have completed the module you started, you can leave and come back later to complete more modules.

### What do PAC and AML stand for?

PAC stands for PATRIOT Act Compliance. AML stands for Anti-Money Laundering. They refer to the same concept.

### What do I get when I'm done?

Immediately following the completion of the bundle, five documents will be available for you to print. They include:

- **AML Program:** A detailed document outlining your compliance procedures.
- **Self-Affirmation Letter:** A letter to provide others inquiring about your compliance status.

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## FREQUENTLY ASKED QUESTIONS Continued

- **JewelPAC Program Compliance Confirmation:** A letter confirming that you completed your compliance training specifically with the JewelPAC program. This letter also includes your Risk Assessment score.
- **Compliance Affirmation Query:** A letter to provide others to fill out when you want to inquire about their compliance status.
- **PAC Training Affirmation:** This document contains your test scores and is included in the AML Program.

### Do I need a First Time Bundle, Renewal, or Employee training?

- If you do not have an AML program in place, or have not tested or renewed your program in the last 18 months, a First-Time Bundle is recommended.
- Companies are required to periodically test their AML program and stay educated on possible legislative changes. Many companies elect to annually renew their AML program to stay current on impactful legislation.
- Company employees that are active in buying and selling precious metals, gems and finished jewelry are also required to have AML training. They are required to receive this training annually. The Employee Training Bundle contains all information needed.

### Do I need to study before taking the tests?

No, all of the information you need for a test module will be provided at the beginning of the module for you to read through, and then you will be tested afterward.

### What does it mean if some of the tests don't have a score?

The first two and last three modules are informational only and do not have scores. Only the middle seven modules with names that start with "PAC Training" are actual tests and require you to receive a passing score of 80% or better.

### What happens if I fail a test?

Click the "Retake Test" button to take the test again. You can retake a test as many times as you need to receive a passing score.

### Will a binder containing PAC documents be provided?

No, we do not print your documents for you, nor do we provide a binder for them.

### Why is the purchase button for Annual Renewal Program disabled when renewing a First Time Full Bundle?

There are time restrictions on when an Annual Renewal Program is available for purchase. Renewal Bundles cannot be purchased less than nine months or more than 18 months from the completion date of your last First Time or Renewal Bundle.

### Will you inform my bank that I am now PATRIOT Act compliant?

No, we will not contact your bank on your behalf. However, most banks ask for specific compliance information, most of which is covered in the documents that became available once you completed your bundle. Simply print out the document they have asked for and send them to your banker.

### I have been asked to provide an Independent Audit Letter - what's that?

Periodic testing is required by the regulations. This testing can be conducted by anyone in your company who does not report to the Compliance Officer, or by an independent tester. We no longer conduct Independent Audits. However, if you contact JVC, they can provide further guidance on who can conduct this required testing.

### Does the JewelPAC program offer Restricted Person Screenings?

Not at this time. However, a number of government agencies allow you to search names on their watchlists for free online. **Visit this JVC web page** to find links to these lists.

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