



**GOLD CORE**

**7 Key**

**Allocated Gold Storage**

**Must Haves**



## Introduction

Over the past 10 years, GoldCore has been assisting a growing client base with the purchase and storage of allocated gold bullion. In that time we have built a global network of storage, logistics and insurance partners that work with us in safeguarding the gold bullion stored on behalf of our clients.

For first time buyers of gold bullion or even those looking to select a new storage partner, GoldCore has drawn up a list of key storage must haves: the absolute benchmark list that will enable you to evaluate potential bullion / storage partners. Where and how you store your bullion is a critical decision.

### 7 Key Storage Must Haves:

1. **Ability to Take Delivery:** Ensure that can you take delivery of your bullion at a location of your choice.
2. **Bullion Authenticity:** Ensure your gold bullion is produced and stored within the LBMA chain of integrity.
3. **Gold Bullion Audits:** Ensure your bullion is audited daily, and bi-annually by internationally recognised auditors.
4. **On-Line Storage Inventory:** Ensure that you can log-on to view your bullion item description for bars or coins, quantity, gross weight, fineness and item value in USD.
5. **Being Able to Visit and View Holdings:** Ensure that you can arrange to visit and view your physical gold coins and bars.
6. **Insurance of Bullion at Storage Facilities:** Ensure that your bullion provider and its storage partners have adequate insurance cover.
7. **Guarantee of Bailment:** Ensure that the ownership of the bullion remains with you.

*How to Store Gold – 7 Key Allocated Gold Storage Must Haves*



The *7 Key Storage Must Haves* is an excerpt from GoldCore's guide '*How To Store Gold.*' Get your copy today by clicking [here](#).

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# 7 KEY STORAGE MUST HAVES

**A**t an absolute minimum, a prospective gold bullion buyer should ensure that both their bullion and storage provider can meet the **7 key storage** requirements listed below.

## 1. Ability to Take Delivery

If the circumstance arises, can you take delivery of your bullion at a location of your choice? A reputable bullion dealer and a London Bullion Market Association (LBMA) officially recognised mint or vault will have relationships in place with specialised logistics companies.

GoldCore arranges insured delivery of gold bullion via Registered Post, FedEx, Loomis and Brink's.



## 2. Bullion Authenticity - the LBMA Chain of Integrity



The LBMA operates a system for gold bars that are acceptable for trading in the London market. This is known as the London Good Delivery system. The system lays down specifications for good delivery bars as well as rules for a refinery being eligible for the ‘good delivery list’.

The LBMA monitors refineries and their output, thereby ensuring quality standards are maintained.

This is the basis for the concept of the LBMA chain of integrity. Once a refinery’s bars are accepted on to the good delivery list for gold, then its bars do not have to be assayed further each time they change ownership or move location. This is because the information on the bar such as fineness, refinery stamp and year of manufacture, allows other participants in the market to be confident that the gold is as it claims to be. This is the chain of integrity.

However, bars from LBMA refineries need to be stored within recognised vaults of the LBMA system.



The LBMA officially recognises vaults of two highly reputable global companies that transport and vault precious metals. These companies are Loomis International and Brink’s. Any good delivery bar stored

within their vaults remains within the chain of integrity, since Loomis International and Brink’s are ordinary members of the LBMA and are official LBMA vault custodians.



GoldCore also recognises that these storage companies are the most professional and trustworthy in the industry, and has partnered with both Loomis International and Brink’s as GoldCore’s sub-custodians in offering external precious metals storage solutions to its clients.

### 3. Gold Bullion Audits

All client precious metal (gold, silver, platinum and palladium) stored by GoldCore at storage facilities in Zurich, Hong Kong, Singapore and London is audited via a tri-party auditing procedure. On a daily basis, GoldCore Operations will reconcile client precious metal storage records against the vaulting facility records of the storage provider. If discrepancies are found in the records, they are fully investigated and quickly resolved.



On a semi-annual basis, GoldCore directs independent auditor Inspectorate International Limited to audit GoldCore client precious metal inventory stored at storage facilities. This involves a physical inventory of all metal records and an audit of the weights of a sample of the precious metals holdings. Discrepancies, if found, are brought to the attention of GoldCore and the storage provider and investigated and quickly corrected.

Inspectorate International is one of the supervisors of the LBMA good delivery system and is an associate member of the LBMA.

The Perth Mint undertakes full quarterly inventory stocktakes using both internal and external auditors from major accounting firms in Australia. The audits are reviewed by the Auditor General of the State of Western Australia who is answerable to the State Parliament.

### 4. On-Line Storage Inventory



GoldCore clients with precious metals stored in Loomis's facilities in Zurich, Hong Kong or London, and Brink's facilities in Singapore, have the ability to log on to the Loomis web site and view their precious metals holdings via a web based inventory reporting application.

The level of detail provided is thorough and includes the client account number, item description for bars or coins, quantity held, gross weight, fineness, and bar brand (for bars). This application allows clients to be confident that their precious metals are held in allocated form in the vault that they have specified.

## 5. Being Able to Visit and View Bullion Holdings

GoldCore clients holding allocated precious metals at the Perth Mint and at GoldCore's vaults internationally are able to visit the storage facilities respectively. There they can view and cross reference the serial numbers on their Secure Storage Statement against the bullion bars and coins in the vault.

For security reasons, all visits are requested and sanctioned in advance.



## 6. Insurance of Bullion at Storage Facilities

Every participant in the international bullion market requires adequate insurance to cover loss, theft or damage. This applies to mining companies, refineries, mints, financial institutions, bullion transporters and storage specialists. The insurance of precious metals vaults and storage depositories is predominantly underwritten by specialist risk underwriters operating through the international insurance market.

Loomis's precious metals storage facilities in Zurich, Hong Kong, London, the US, and Germany are covered by 'all risk' insurance underwritten by specialist 'specie'. This insurance agreement, which is governed by English law, covers precious metals and other valuables against physical loss, damage or disappearance up to the value of \$50 million for any one loss in any one location, and the agreement can be viewed by GoldCore clients.

## 7. Guarantee of Bailment

When a client purchases and stores allocated gold with GoldCore, GoldCore provides the client with a Secure Storage Statement detailing ownership of the holding and documentation showing bar number, refiner name, gross weight, fineness and fine weight.

Client gold is held via a bailment arrangement, with client rights governed by English (and Irish) bailment law. A bailment relationship occurs when a person, the bailor, entrusts property temporarily to another person, the bailee (or custodian), but does not give up title of ownership.

This allows the bailee to:

- a) have rightful possession of the property without being the owner and
- b) creates the obligation by the bailee to return the identical property to the bailor.



These two legal points are important and they create the bailment. The bailor delivers the property to the bailee on condition they he/she will be able to receive it back in the future, and the bailee has the duty to return it, unless the bailee is directed by the bailor to sell the property.

Applying this concept to GoldCore client bullion holdings, GoldCore is the bailee, the client is the bailor, and the Terms and Conditions of the GoldCore Customer Agreements are a bailment agreement between the client and GoldCore. GoldCore has an obligation, if asked, to return to the client the identical bullion bars or coins that were purchased by the client or that were transferred by the client to GoldCore.

### **The ownership of the bullion stays with the client.**

The ownership of the bullion stays with the client. GoldCore contracts a third party provider such as Loomis or Brink's to store the client precious metal and so the third party provider has a sub-custody relationship with GoldCore.

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ABOUT GOLDCORE

GoldCore are respected international bullion dealers who are experts in the execution and logistics of the highly specialised precious metals market.

GoldCore have been providing precious metal investment solutions for an International client base since 2003. Today, our team of experts service all investor classes from private individuals to companies and institutional investors. Whether you are a small or large investor looking to take delivery or arrange for secure, trusted insured storage, GoldCore has a solution to suit your needs.

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