



Queanbeyan Sports & Community Club
is the Registered Club license holder

CLASS 1 LOCAL IMPACT ASSESSMENT FOR GAMING MACHINE THRESHOLD APPLICATION

**APPLICANT: THE QUEANBEYAN SPORTS AND
COMMUNITY CLUB LIMITED**

**PREMISES: THE QUEANBEYAN BOWLING CLUB LIMITED
(LIQC300242269)**

1. EXECUTIVE SUMMARY

- 1.1 This Class 1 Local Impact Assessment is lodged by Queanbeyan Sports & Community Club Limited (**the Club**) in support of and as part of an application to increase the gaming machine threshold (**Threshold**) of its premises known as The Queanbeyan Bowling Club Limited (trading as the Campbell & George) located at 97 Campbell Street Queanbeyan NSW 2620 (**Premises**).
- 1.2 The Premises is located in the:
 - (a) Queanbeyan Local Statistical Area (**Queanbeyan LSA**); and
 - (b) Queanbeyan-Palerang Regional City Local Government Area (**Queanbeyan-Palerang LGA**).
- 1.3 For the purposes of section 33 of the *Gaming Machines Act*, the Queanbeyan LSA is classified as a Band 2 area by the Independent Liquor & Gaming Authority (**Authority**).
- 1.4 The current Threshold of the Premises is seventy four (74).
- 1.5 Seventy four (74) gaming machine entitlements are issued to the Premises.
- 1.6 Seventy four (74) gaming machines are kept and operated at the Premises
- 1.7 The Club is applying to increase the Threshold of the Premises by twenty (20) so that twenty (20) additional gaming machine entitlements can be transferred to the Premises.
- 1.8 If the application is granted, the Threshold will be ninety four (94) and the Club will be able to operate a maximum of ninety four (94) gaming machines at the Premises.
- 1.9 The Club complies with its responsible conduct of gambling obligations and its harm minimisation policies are over and above its legislative obligations.
- 1.10 If the application is granted, it will result in the positive contributions to the local community set out in Section 5.
- 1.11 This LIA contains the following sections:
 - (a) Application;
 - (b) Information about the Club;
 - (c) Details regarding the Club's responsible conduct of gambling practices;
 - (d) An analysis of the Club's local community;
 - (e) Details regarding the proposed positive contribution;
 - (a) Conclusion.

2. APPLICATION

- 2.1 The current Threshold of the Club's Premises is seventy four (74).
- 2.2 Seventy four (74) gaming machine entitlements are issued to the Premises.
- 2.3 Seventy four (74) gaming machines are kept and operated at the Premises.
- 2.4 The Club is applying to increase the Threshold of the Premises by twenty (20) so that twenty (20) additional gaming machine entitlements can be transferred to the Premises.
- 2.5 If the application is granted, the Threshold will be ninety four (94) and the Club can operate a maximum of ninety four (94) gaming machines at the Premises.

3. THE PREMISES AND THE LOCAL COMMUNITY

The Premises

- 3.1 On or about 1 December 1947, Queanbeyan Bowling Club Limited (**QBC**) established the Premises as a licensed bowling club.
- 3.2 On 23 March 2018, the Club amalgamated with QBC and as and from that date, the Club has occupied and traded from the Premises.
- 3.3 The Premises is located in the Queanbeyan LSA and the Queanbeyan-Palerang LGA.
- 3.4 A map showing the Queanbeyan LSA, the location of the Premises and neighbouring local statistical areas is attached as **Annexure "A"** to this LIA.
- 3.5 The Premises is not a "new club" for the purposes of Regulation 33 of the Gaming Machines Regulation and therefore, the restrictions contained in that regulation do not apply.
- 3.6 The land on which the Premises is situated is 10,251.48 square metres and it includes the single storied clubhouse, a formal bowling green, a multi-use space (which was formerly a bowling green) and a car parking area.
- 3.7 The internal floor space of the clubhouse is 1,342.78 square metres with 425.87 square metres) used for gaming.
- 3.8 A plan of the licensed premises (which includes the location of the Premises' gaming areas) is attached as **Annexure "B"** to this LIA.
- 3.9 The Premises was redeveloped in 2019 and it provides a wide range of services and facilities, including bar areas, bistro/restaurant/lounge areas, function/community rooms, sports lounge areas, dining spaces, outdoor family spaces, bowling greens and other sporting facilities.
- 3.10 The current Threshold of the Premises is seventy four (74).
- 3.11 Seventy four (74) gaming machine entitlements are issued to the Premises.
- 3.12 Seventy four (74) gaming machines are kept and operated at the Premises.

Local Community

- 3.13 For the purposes of this application, the "local community" of the Premises is the Queanbeyan LSA (which forms part of the Queanbeyan-Palerang LGA).
- 3.14 Due to the close proximity of the Premises to the Australian Capital Territory, the Club's membership is primarily drawn from residents of the Queanbeyan LSA, the Australian Capital Territory and the rural areas surrounding the Queanbeyan LSA.
- 3.15 As at the date of lodgement of this LIA, the Club has approximately 9,556 members with:
 - (a) approximately 1,870 members residing within the Queanbeyan LSA (and approximately 7,686 members residing outside of the Queanbeyan LSA); and
 - (b) approximately 5,048 members residing within the Queanbeyan LGA (and approximately 4,508 members residing outside of the Queanbeyan LGA);
 - (c) approximately 160 bowling members and 9,396 social members.
- 3.16 The Australian Bureau of Statistics provides the following information regarding the Queanbeyan LSA as at the 2021 Census:
 - (a) the population was 11,342 people consisting of 5,704 males and 5,638 female; and

- (b) the median age was 37 years of age (compared to the median age of 39 for NSW);
- (c) there was 394 Aboriginal and/or Torres Strait Islander people comprising 3.5% of the local community population (compared to 3.4% for NSW);
- (d) 7,697 people were born in Australia which comprises 67.9% of the local community population (compared to 65.4% for NSW);
- (e) 8,097 people stated that only English was spoken at home comprising 71.4% of the local community population (compared to 67.6% for NSW);
- (f) 4,253 people worked full time comprising 65.2% of the local community population aged 15 years or older (compared to 55.2% for NSW);
- (g) 270 people worked part time comprising 31.8% of the local community population aged 15 years or older (compared to 29.7% for NSW);
- (h) 386 people were unemployed comprising 4.1% of the local community population aged 15 years or older (compared to 4.9% for NSW);
- (i) the most common occupations for employed persons over the age of eighteen (18) were professionals (19.8%), clerical and administrative workers (16.7%), technicians and trades workers (13.8%), managers (12.6%), community and personal service workers (11.7%) and labourers (9.0%);
- (j) the median weekly personal income for persons aged 15 years and over was \$996 (compared to \$813 for NSW);
- (k) the median weekly family income for persons aged 15 years and over was \$2,233 (compared to \$2,185 for NSW);
- (l) the median weekly household income for persons aged 15 years and over was \$1,4730 (compared to \$1,829 for NSW);
- (m) 41.0% were couple families without children, 38.0% were couple families with children and 18.5% were one parent families;
- (n) 5.5% were undertaking preschool, 24.0% were undertaking primary education, 15.3% were undertaking secondary education and 29.8% were undertaking tertiary education;
- (o) of people aged 15 and over, 27.4% reported a Bachelor level degree or above as their highest level of attainment and 11.5% reported a Certificated Level III as their highest level of attainment;
- (p) of occupied private dwellings, 22.6% were owned outright, 31.6% were owned with a mortgage and 43.1% were rented;
- (q) of all households, 54.7% were family households, 41.9% were single (or lone) person households and 3.4% were group households.

3.17 The Australian Bureau of Statistics also provides that the Queanbeyan LSA recorded the following SEIFA rankings in 2016:

- (a) Index of Relative Socio-economic Disadvantage – decile 5; and
- (b) Index of Relative Socio-economic Advantage and Disadvantage – decile 5;
- (c) Index of Economic Resources – decile 2;
- (d) Index of Education and Occupation – decile 6.

4. **RESPONSIBLE CONDUCT OF GAMBLING AND HARM MINIMISATION**

- 4.1 The Club takes its obligations in relation to the responsible conduct of gambling and harm minimisation very seriously.
- 4.2 In this regard, the Club:
- (a) complies with all obligations in relation to the responsible conduct of gaming that are imposed by the Gaming Machines Act and Gaming Machines Regulation; and
 - (b) has adopted and complies with its Responsible Conduct of Gambling House Policy as set out in **Annexure “C”** to this application;
 - (c) has adopted and complies with the Gaming Plan of Management in **Annexure “D”** which contains a number of additional harm minimisation practices and procedures which are over and above those steps and actions required by the legislation and in many respects, follows the practices and procedures set out in the recent late night gaming application guideline issued by the Authority;
 - (d) is a member of BetSAFE and it puts in place that organisation’s suggested best practice measures;
 - (e) uses the services of Betsafe as its gambling counsellor should any player seek such assistance and for self-exclusion.
 - (f) has adopted and complies with the ‘Anti-Money Laundering and Counter-Terrorism Financing Program Manual’ in **Annexure “E”** to reduce the potential for illegal activities arising from gambling on its premises.
- 4.3 Accordingly, the Club’s responsible conduct of gambling practices and procedures significantly reduce the risk of any gambling misuse or abuse occurring on the Premises.

5. **POSITIVE CONTRIBUTION TO THE LOCAL COMMUNITY**

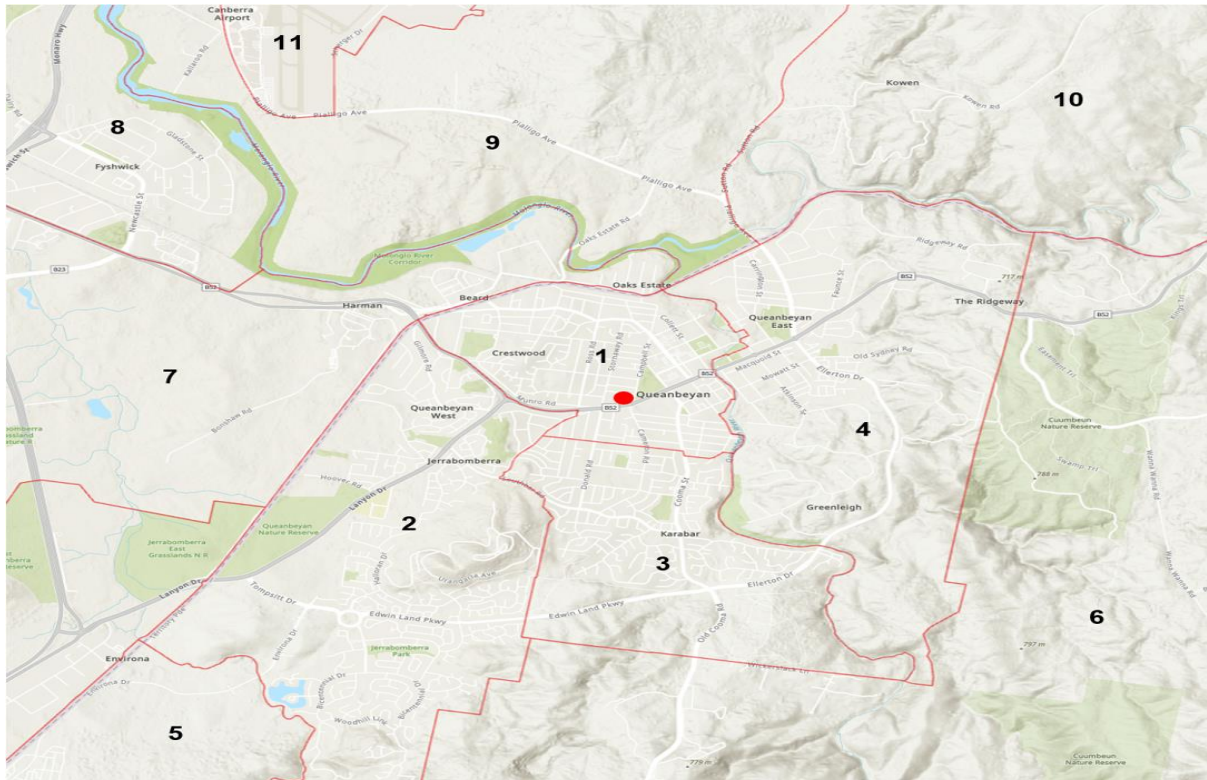
- 5.1 As indicated above, the Club is applying to increase the Threshold of the Premises by twenty (20) so that twenty (20) additional entitlements can be transferred to the Premises.
- 5.2 The Act requires the Authority to be satisfied that the approval of the application will result in a positive contribution to the local community
- 5.3 The Club will provide a donation to the Responsible Gambling Fund as its positive contribution and the amount of the donation will be determined in accordance with formula set out on page 7 of the Class 1 LIA Guidelines.
- 5.4 In addition to the proposed donation to the Responsible Gambling Fund, the Club has implemented harm minimisation and responsible gambling measures that are in addition to the measures already required law.
- 5.5 The matters referred to in paragraph 5.4 above are prescribed as approved forms of additional positive contributions for the local community under the Gaming Machines Act.

6. **CONCLUSION**

- 6.1 The Club complies with its responsible conduct of gambling obligations.
- 6.2 If the application is granted, it will result in a positive contribution to the local community.

ANNEXURE “A”

MAP OF THE QUEANBEYAN LSA, LOCATION OF PREMISES AND NEIGHBOURING LOCAL STATISTICAL AREAS



Notes:

1. The “marker” set out the location of the Premises (being Campbell Street Queanbeyan which is located in the Queanbeyan Local Statistical Area). The Queanbeyan LSA is marked using the identifying number “1”.
2. The “neighbouring local statistical areas” and “local statistical areas” within five (5) kilometres) are marked using the following identifying numbers:
 - (a) 2 – Queanbeyan West - Jerrabomberra Local Statistical Area; and
 - (b) 3 – Karabar Local Statistical Area;
 - (c) 4 – Queanbeyan East Local Statistical Area;
 - (d) 5 – Queanbeyan Surrounds Local Statistical Area;
 - (e) 6 – Queanbeyan Surrounds Local Statistical Area;
 - (f) 7 – Canberra East Local Statistical Area;
 - (g) 8 – Fyshwick Local Statistical Area;
 - (h) 9 – Majura Local Statistical Area;
 - (i) 10 – Kowen Local Statistical Area;
 - (j) 11 – Canberra Airport Local Statistical Area

Gaming Floor
425.87 Square Meters

PROPOSED AUTOMATIC DOOR
PUSH BUTTON AT LEAST 500mm
FROM ANY CORNER.

GROUND FLOOR - SPORTS & GAMING EXTENSION GA PLAN
Scale: 1:50

NOTES:

1. EXISTING FLOOR FINISHES TO REMAIN UNLESS OTHERWISE SPECIFIED.
2. ALL DIMENSIONS TO FACE UNLESS OTHERWISE SPECIFIED.
3. ALL DIMENSIONS TO FACE UNLESS OTHERWISE SPECIFIED.
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No.	Description	Date
1	EXISTING FLOOR FINISHES TO REMAIN UNLESS OTHERWISE SPECIFIED.	10/10/2019
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3	ALL DIMENSIONS TO FACE UNLESS OTHERWISE SPECIFIED.	10/10/2019
4	ALL DIMENSIONS TO FACE UNLESS OTHERWISE SPECIFIED.	10/10/2019
5	ALL DIMENSIONS TO FACE UNLESS OTHERWISE SPECIFIED.	10/10/2019
6	ALL DIMENSIONS TO FACE UNLESS OTHERWISE SPECIFIED.	10/10/2019
7	ALL DIMENSIONS TO FACE UNLESS OTHERWISE SPECIFIED.	10/10/2019
8	ALL DIMENSIONS TO FACE UNLESS OTHERWISE SPECIFIED.	10/10/2019
9	ALL DIMENSIONS TO FACE UNLESS OTHERWISE SPECIFIED.	10/10/2019
10	ALL DIMENSIONS TO FACE UNLESS OTHERWISE SPECIFIED.	10/10/2019

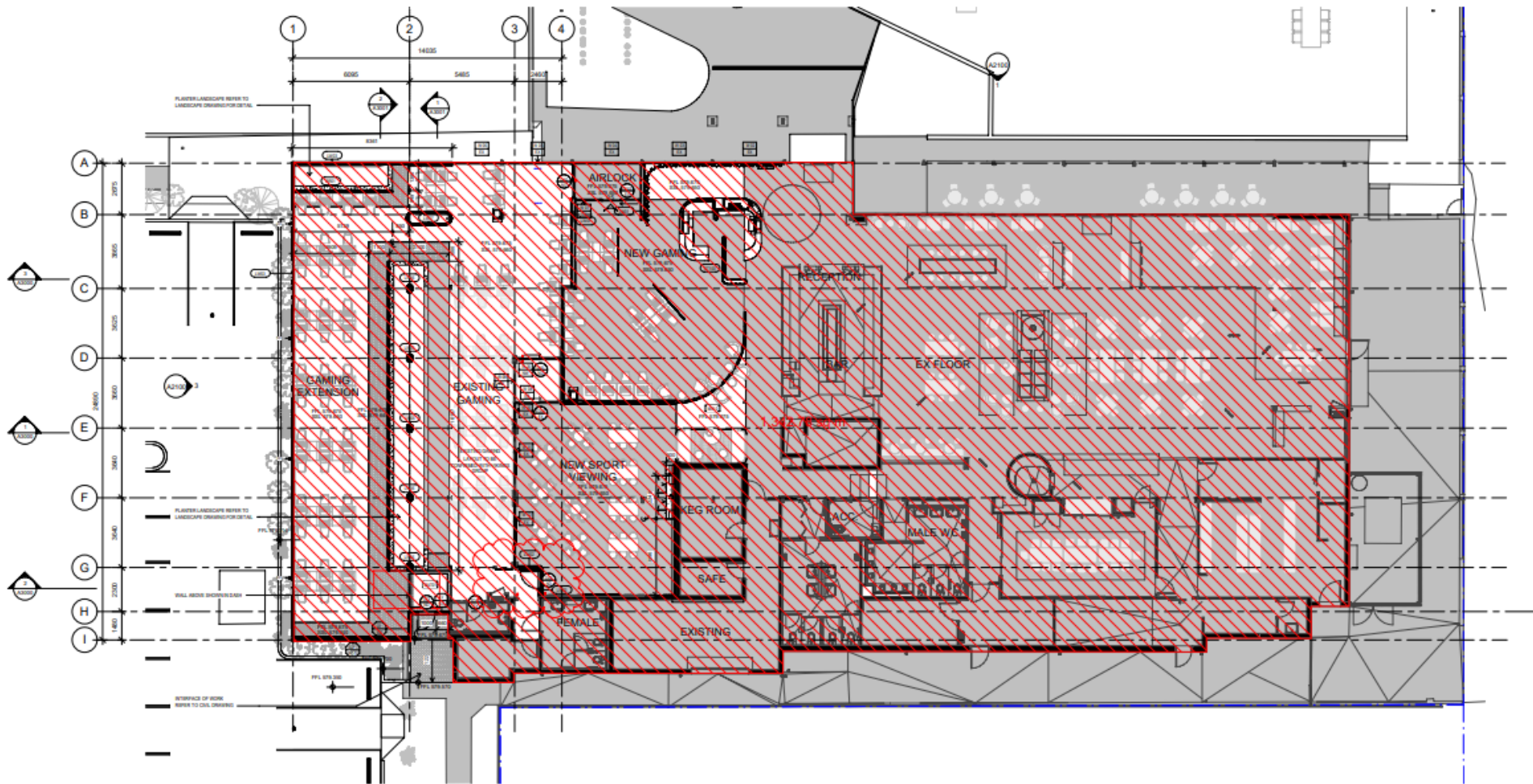
PROJECT SITE
CHAPPELL AND GEORGE
VENUE
87 CHAPPELL STREET
CLARENCE VIC
3222

CLIENT
Vikings Group

ISSUE FOR CONSTRUCTION
GF - SPORTS & GAMING EXTENSION GA PLAN

Project number: 2019-03
Date: DECEMBER 2019
Author: [Name]
Scale: A6000
10

Club House Floor Space 1342.78 Square Meters



1 AP - PROPOSED GROUND FLOOR PLAN - OVERALL
Scale 1:100

NOTES

1. EXISTING BUILDING DIMENSIONS SHOWN IN RED.
2. ALL DIMENSIONS TO FACE UNLESS OTHERWISE SPECIFIED.
3. DIMENSIONS TO FACE UNLESS OTHERWISE SPECIFIED.
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9. DIMENSIONS TO FACE UNLESS OTHERWISE SPECIFIED.
10. DIMENSIONS TO FACE UNLESS OTHERWISE SPECIFIED.

No.	Description	Date
1	REVISION	12/12/2018
2	REVISION	12/12/2018
3	REVISION	12/12/2018
4	REVISION	12/12/2018
5	REVISION	12/12/2018
6	REVISION	12/12/2018
7	REVISION	12/12/2018
8	REVISION	12/12/2018
9	REVISION	12/12/2018
10	REVISION	12/12/2018

DACCA
ARCHITECTURE

Architect 5048
18/20 VICTORIA STREET BRISBANE
A. 18/20 VICTORIA STREET BRISBANE

PROJECT SITE

CAMPBELL AND ORCHARD
18/20 VICTORIA STREET
LOT 222 OF 260710



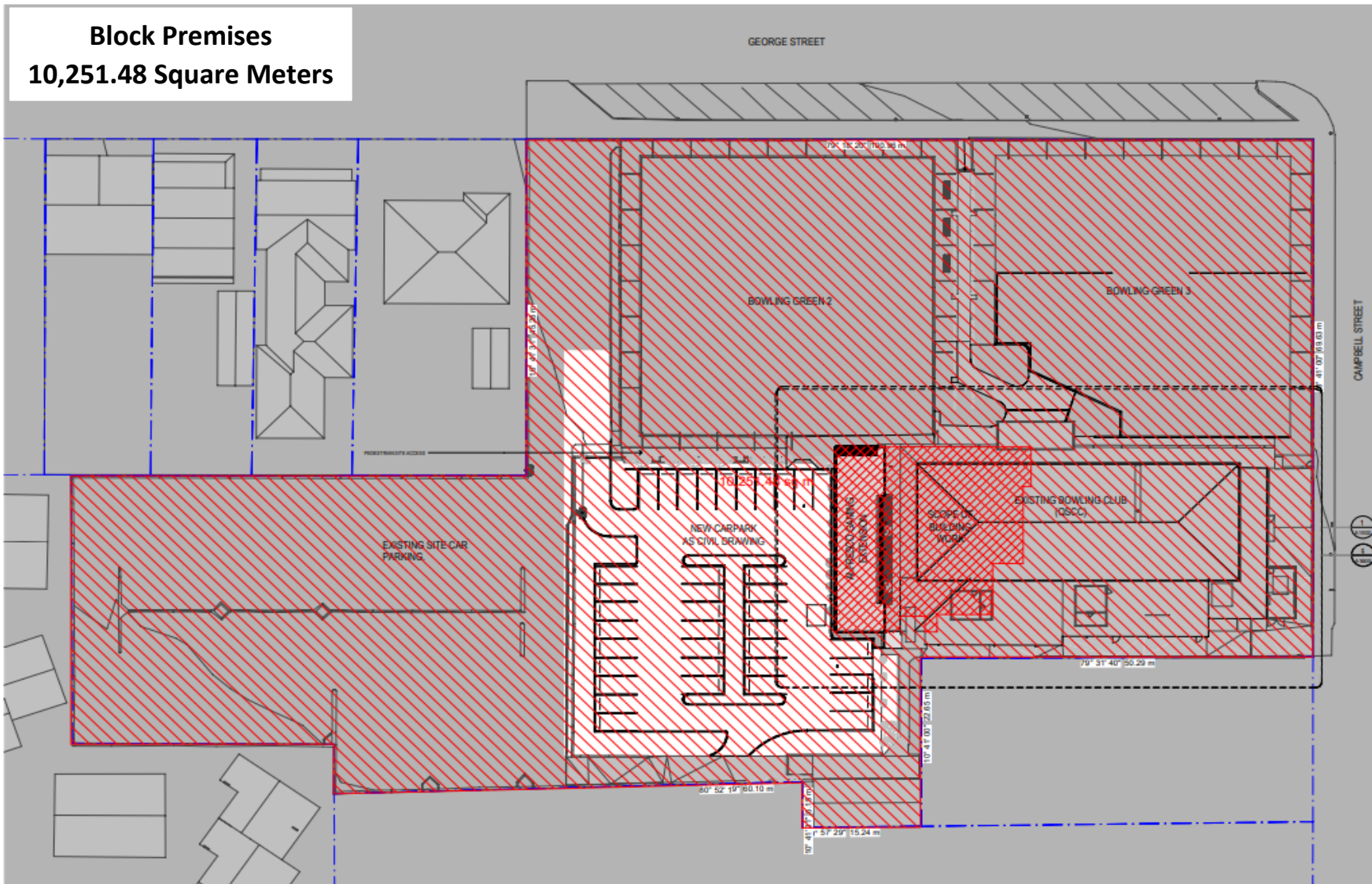
CLIENT

Village Group

ISSUE FOR CONSTRUCTION GROUND FLOOR - OVERALL PLAN

Project number	2018/01	A1000	8
Date	DECEMBER 2018		
Drawn by			
Author			
Scale	1:100		

Block Premises **10,251.48 Square Meters**



SITE PLAN
Scale: 1:200

ISSUE FOR CONSTRUCTION
SITE LOCATION PLAN

NOTES:

1. SITE PLAN IS A PRELIMINARY PLAN. IT IS NOT TO BE USED FOR CONSTRUCTION.
2. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE SPECIFIED.
3. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE SPECIFIED.
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9. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE SPECIFIED.
10. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE SPECIFIED.

No.	Description	Date
1	PRELIMINARY SITE PLAN	10/10/2018
2	FINAL SITE PLAN	10/10/2018
3	FINAL SITE PLAN	10/10/2018
4	FINAL SITE PLAN	10/10/2018
5	FINAL SITE PLAN	10/10/2018
6	FINAL SITE PLAN	10/10/2018
7	FINAL SITE PLAN	10/10/2018
8	FINAL SITE PLAN	10/10/2018
9	FINAL SITE PLAN	10/10/2018
10	FINAL SITE PLAN	10/10/2018

PACCA
ARCHITECTURE

Architect 5048
10/10/2018
10/10/2018
10/10/2018

PROJECT SITE

CAMPBELL AND GEORGE
STREET
10/10/2018
10/10/2018



CLIENT

10/10/2018
10/10/2018
10/10/2018

A0010

7



Queanbeyan Sports & Community Club
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Responsible Service of Gaming House Policy

Responsible Conduct of Gambling (RCG) refers to the provision of gaming and wagering services in a way that minimises the potential harm that may be caused by gambling to individuals, their families and the community.

The Queanbeyan Sports & Community Club fosters responsible gambling practises amongst patrons and staff. This is achieved by implementing and maintaining various harm minimisation and consumer protection measures as outlined in this policy.

The Queanbeyan Bowls Club has adopted the BetSafe policies. The BetSAFE program assists The Queanbeyan Sports & Community Club to fulfil its stated RCG commitment through various measures including:

- The Development and Implementing of best — practice policies and procedures for the responsible conduct of gambling.
- Provision of a free 24-hour counselling and crisis intervention service for club patrons and staff that may have a gambling problem or know someone who has a problem.
- Provision of an effective voluntary self-exclusion scheme for patrons.
- Responsible Conduct of Gambling training for all staff.
- Assistance and advice with the handling of gambling related incidents.
- Promoting responsible gambling practices among club patrons and the club.
- Controls over the nature of certain gaming related advertising and promotion within the club.
- Prohibitions in relation to participation by minors and the advancement of credit for gambling purpose.
- Measures which limit the accessibility and availability of commercial gambling activities in the broader public interest.
- The requirement for Clubs to provide information to patrons and their guests on counselling services, the use and operation of gaming machines, the chances of winning and the problems caused from excessive gambling.
- On entering the club and displayed on each gaming machine is an advisement on how to contact counselling providers.
- The placement of limitations on the payment of prizes by cash (\$5000).
- Require cash dispensing facilities to be located away from the areas where gaming machines are located and the prohibition of the availability of cash to be withdrawn from a credit card account.
- Place limitations on gambling-related advertising.
- Prohibit the offering of inducements to gamble.
- Require the Club Secretary and all employees to undertake an approved training course in the responsible conduct of gambling.
- Keno rules prominently displayed at keno points of sale.
- Not providing credit.
- Loyalty points — not allowing redemption of loyalty points for cash (as per legislation).



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In accordance with the Gaming Machines Act 2001; The Queanbeyan Sports and Community Club operates a voluntary self-exclusion scheme for patrons and their guests who may have a problem with gambling, this information is gained from the gaming or general manager through members of staff.

- Family and friends of the individual find that money is regularly going 'missing'.
- Constant borrowing of funds and difficulty in repayment.
- Dishonesty in relation to financial matters.
- Unexplained absences from work or home.
- A tendency towards selfishness and isolation.
- Secretiveness with mail.
- When confronted, denial of the problem and its consequences.
- Boredom with normal everyday activities.
- Severe mood swings — between elation and depression.
- Increased alcohol consumption.
- Loss of sexual drive — or sexual addiction.
- Unrealistic expectations.
- Self-deception — past problems are forgotten.

BetSAFE - 1800 238 723

GambleAware - 1800 858 858

Lifeline - 131114

Salvation Army - 02 9212 2941

Wesley Gambling - 300 828 638

Brochures are readily available from our Gaming Lounge, TAB and KENO areas.

A confidential appointment can also be made with an officer of the Club.

Patrons who are concerned about their inability to control their gambling habit may arrange for a ban on their entry to the club. Any information discussed during this meeting will remain strictly confidential. Out of this meeting, you may be referred to an Independent, professional counsellor for an initial assessment.

This may be the first step in the process of getting your life back on track.



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Pty Limited

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ACN 002 126 954

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Consultants

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RPIA

Consultant

G W Smith
BSurv (QLD)
MCP (MIT)
FPIA (Life Fellow)
MIS Aust
MRTPI
FAPI

Gaming Plan of Management

Prepared for Queanbeyan Sports and Community Club Limited

Known as "Campbell and George"

Located at

Crn of Campbell and, George St, Qyeانبeyan NSW 2620

Based on "Going above and Beyond"

Issued by the office of Responsible Gambling

Prepared February 2021

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Introduction

This Gaming Plan of Management (GPoM) has been prepared at the request of Liquor and Gaming NSW to assist in the assessment of an application by the Queanbeyan Sports and Community Club Limited (*Club*) seeking approval of an increase in its gaming machine threshold (GMT) from 54 to 74 which was made in October 2020.

The Club already has a '*House Policy on Gaming*', a '*Plan of Management for Harm Minimisation and the Responsible Conduct of Gambling*' and an '*Anti-Money Laundering and Anti-Terrorism Financing Program Manual*', to guide it in delivering gaming responsibly to its members and their guests. These have been lodged with Liquor and Gaming NSW.

This GPoM is based on the Fact Sheet, entitled "*Going above and beyond*", issued by the Office of Responsible Gambling, which is incorporated into Guideline 16 "*Late-Night Gaming Applications*" issued by the Independent Liquor and Gaming Authority and dated 20 November 2020.

Structure of this GPoM

The Fact Sheet, '*Going above and beyond*', sets out 10 strategies which it suggests gaming venues could take to prevent and reduce gambling harm with particular focus on the late gaming trade. It also sets out examples of the measures which a venue might take to implement those strategies to reduce gambling harm and to demonstrate commitment to the wellbeing of its patrons and community.

The examples of the measures set out in '*Going over and beyond*' are classified as:

- Functional (F);
- Intermediate (I); or
- Advanced (A).

In this GPoM, those strategies and the measures suggested are listed together with whether or not the Club has implemented each or plans to implement them or some similar measures. Explanatory comments are provided where appropriate.

The strategies are numbered 1 to 10 and the examples are listed in the order they appear in the Fact Sheet. Prefixes F, I and A indicate which classification the measures fall under.

1. Start with a plan

F. This GPoM is such a Plan. It should be read in conjunction with the Club's existing Plan of Management for Harm Minimisation and the Responsible Conduct of Gambling which the Club adopted when it was granted an increase in GMT in 2019. (That Plan of Management was based on requirements of the Gaming Machine Regulation 2010. The Club appreciates the Plan of Management is outdated but, as the requirements of the 2010 Regulation were more stringent than those in the 2019 Regulation which replaced it, intends to continue to abide by the provisions of its existing Plan as well as those set out in this GPoM.)

2. Provide staff with additional training and resources

F. The Club has regular refresher courses for all of its staff. Those courses are conducted by Betsafe. The Club intends to have Betsafe include its 'Strong Culture' section in these refresher courses in 2021.

I. Part of those refresher courses involves training to recognise risky or problematic gambling behaviour.

A. Gaming staff are also trained about how best to approach patrons identified as exhibiting risky or problematic behaviour. The Club intends to incorporate the '*MHFA for Gambling Problems*', provided by Mental Health First Aid Australia, in future refresher and induction courses, to skill its staff in their approaches to players whom they consider may be having problems arising from gambling.

3. Support staff to identify and assist patrons who need help

F. The Club provides continuous supervision of its gaming room by staff dedicated to that task and by CCTV. When the gaming room is quiet, staff make periodic patrols, paying particular attention to any patrons who have been playing for more the 45 minutes or who are displaying risky or problematic behaviour. When the room is busy, staff are always present in the room. Patrons displaying behaviours which attract the attention of staff are approached and offered advice and/or assistance. All instances where patrons are so approached are recorded in notebooks and reported to the gaming room supervisor/manager for further action if that is considered appropriate by that Club official. All incidents are recorded in the Club's Venue Incident Register.

I. The gaming room supervisor/manager informs staff of the actions taken on, and of the results of, those actions for each incident reported in order to improve staff skills in dealing with problematic patrons. Those reports are delivered to staff at the commencement of shifts and at staff meetings as soon as is reasonable after an incident has been reported.

A. The Club's system of supervision of the gaming room constitutes a structured system for staff to:

- make regular welfare checks;
- encourage breaks in play; and
- tell patrons of alternate activities available in the Club.

Those alternate activities include the Locker Room (which provides continuous sport and like entertainment on TV screens) as well as quieter places such as the Fireplace Lounge, The Paddock and Bistro Lounge.

The Club's public address system is, and will be, used to relay messages encouraging players to take breaks by informing players of such things as the starts of football games: measures which persuade some to abandon playing in order to go and watch the games.

All measures undertaken before midnight in relation to the gaming room and players in it, will be continued after midnight. If experience shows that the numbers of players present or the numbers of players who exhibit risky or problematic behaviour increase after midnight, additional staff will be deployed in the room to provide advice and /or assistance to them.

4. Create a strong culture of gambling harm minimisation

F. At inductions and in refresher courses, it is made clear to staff that the welfare of patrons is of utmost importance not only to the individual members and their guests but also to the Club's reputation in Queanbeyan.

I. Harm minimisation is on the agenda of all gaming room staff meetings. At the ends of shifts, staff are instructed to inform incoming staff of any concerns they may have about any patron.

I. The gaming room supervisor/manager keeps an electronic record of all staff interventions with patrons and the actions taken in response to them.

A. The Club is not large enough to support a dedicated manager or contact person specifically to provide support to gaming room staff or players. The gaming room supervisor/manager is trained to provide that support along with Operations/Venue Manager.

5. Encourage breaks in play through venue and service design

F. The Club provides some limited complementary food for players in the gaming room. This is regarded as a service (rather than an encouragement to continue playing) and is something which is available at all the larger clubs in Queanbeyan.

F. Patrons can order more substantial food or drinks while playing but those items must be paid for at the time of their being ordered. Again, this is considered to be a service which is provided at all the larger clubs in Queanbeyan.

I. The Club's ATMs are located outside the gaming room. One is located near the locker room bar and another in the bistro lounge area.

A. All statutory requirements pertaining to ATMs are maintained on-site at all times

6. Promote local services

F. The Club displays all required signage (see its Plan of Management for Harm Minimisation and the Responsible Conduct of Gambling). These include information about local support services, primarily, Betsafe.

I. The Club does not actively promote local support services although staff are able to provide information about them.

A. The Club has not organised on-site visits from gambling counsellors beyond occasional visits by Betsafe counsellors.

A. The Club has not organised on-site information stalls staffed by gambling counsellors. It may do so during periods when there are State-wide organised campaigns promoting responsible gambling and the like.

7. Break down the stigma associated with gambling problems

F. The Club promotes gambling awareness campaigns and includes appropriate messages in all its communications with members and the public.

I. The Club promotes the availability of gambling counselling and self-exclusion by notices in the gaming room and in communications with members and the public.

A. The Club does not organise speakers who have recovered from gambling problems, largely, because such speakers are not available locally. It intends to explore having a Betsafe counsellor or the like address events held in the Club to discuss gambling harm and recovery pathways.

8. Make sure self-exclusion is understood, available and enforced

F. The Club's gaming room supervisor/manager is always available to assist patrons who may seek either counselling or self-exclusion.

F. The Club displays photos of those who have self-excluded both at the Club and through the Local Liquor Accord. Those photos are displayed where they are visible to gaming room staff but not to patrons. Photos are also displayed in a similar manner at entries to the clubhouse. Any self-exclusions are also recorded in the Club's membership system.

The Club is investigating loading these photos onto personal electronic devices which can be carried by gaming room staff while on duty so that they may more readily recognise any player who should not be in the gaming room.

I. Staff are instructed to raise self-exclusion with any patrons who are approached because they are exhibiting risky or problematic behaviour.

A. The Club may consider introducing further advances in technology when it believes it is needed since the Club is not aware of any significant level of risky or problematic behaviour among those who currently visit its gaming room. However, the gambling market in Queanbeyan is competitive with the Club being a minor player. As such, it cannot afford to introduce new technology which may deter players unless its competitors also introduce that technology so as to keep a fair and level play field.

9. Promote responsible gambling

F. The Club promotes responsible gambling in all its publications.

I. The Club promotes responsible gambling through messages on machine screens, by signs on walls in, and near, the gaming room and in ablution areas and over its PA system. It also promotes it on the Club's electronic platform.

10. Enable and respond to customer complaints

F. The Club displays signs which inform patrons about how to make complaints and staff, both in the gaming room and the Club administration also provides that information.

I. The Club takes all complaints and any feedback it receives seriously. Such matters are escalated to higher levels of management when deemed necessary. The gaming room supervisor/manager reports to the Secretary/ Manager weekly on the incidents recorded in the gaming room and discusses if further action is required on any of them.

A. The Club provides information flyers (which are available at its reception desks and cashier counter) setting out how alleged breaches of legislative or regulatory requirements in, or by, the Club may be reported to Liquor and Gaming NSW.



Queanbeyan Sports & Community Club Ltd



Anti-Money Laundering & Counter-Terrorism Financing (AML/CTF) Program Manual

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Document Change Control Table

Note: prior to version 3.26.1 QSCC developed an in-house AML/CTF Compliance & Operations Guidelines manual.

Version Number	Date of Issue	Description of Change(s)
3.26.1	7 December 2018	<ul style="list-style-type: none"> Initial version
3.3.0	6 January 2020	<ul style="list-style-type: none"> Updated 'Responding to AUSTRAC feedback' subsection to include subheading 'Guidance published by AUSTRAC' Added 'BetSafe involvement' subsection. Updated 'Employee Due Diligence Program' section. Reviewed and updated the 'Transaction Monitoring Program' subsection in the 'Ongoing Customer Due Diligence' section Updated 'Examples' and 'Suspicious matter reporting procedure' subsections in 'Suspicious Matters' section. Updated 'Large Payouts' section and added new subsection 'Assessment of customers receiving payouts of \$10,000 or more' Updated 'Independent Review' section to change person appointed to conduct independent reviews and give consideration to this person's independence. Updated 'AML/CTF Compliance Officer & Nominated Contact Officer' appendix to list details of new Nominated Contact Officer. Reviewed and updated 'Risk Management Table' appendix, to give consideration to additional ML/TF risks, in particular recently identified risk of counterfeit and modified gaming payout cheques, as well as additional ML/TF risks proposed by AUSTRAC Reviewed and updated 'Risk Assessment' appendix, to give consideration to risks posed by increase in EGM entitlements, introduction of MTGMs and the recent introduction of Gaming Machines Regulation 2019. Reviewed and updated 'Identification Documents' appendix to specifically state that the Club can accept Australian issued digital driver licences as primary photographic documents (the club has given consideration to the risk posed by accepted this identification document and considers them to be a suitable primary photographic identification document) Updated 'Employee Due Diligence Policy' appendix Reviewed and updated 'AML/CTF Training Policy' appendix.

		<ul style="list-style-type: none"> • Reviewed and updated ‘AML/CTF Policy’ appendix. • Added ‘BetSafe Online AML/CTF Training for General Staff’ appendix • Added ‘BetSafe Online AML/CTF Training for Duty Managers’ appendix • Updated ‘BetSafe Face to Face Training Slides’ appendix’ • Updated ‘Extracts from Gaming Machines Regulation 2019 (NSW)’ appendix • Added ‘How to Check the Digital Driver Licence’ appendix • Updated all references to the Gaming Machines Regulation (formerly 2010, now 2019). • Made a number of typographical corrections
3.31.0	22 March 2021	<ul style="list-style-type: none"> • Updated the Club Membership Requirements, Payout Policy, Transaction Monitoring Program, Enhanced Customer Due Diligence and Politically Exposed Persons subsections of the Ongoing Customer Due Diligence section. • Updated ‘Examples’ and ‘Suspicious matter reporting procedure’ subsections in ‘Suspicious Matters’ section. • Updated ‘Large Payouts’ section. • Updated ‘Record Keeping’ section. • Updated ‘AML/CTF Compliance Officer & Nominated Contact Officer’ appendix • Reviewed and updated Risk Management Table appendix. • Updated AML/CTF Compliance Officer & Nominated Contact Officer appendix • Reviewed and updated Risk Assessment Table appendix. • Updated Know Your Customer Record appendix. • Reviewed and updated Identification Documents appendix • Updated Enhanced Customer Due Diligence Form appendix • Reviewed and updated Employee Due Diligence Policy appendix • Reviewed and updated AML/CTF Training Policy appendix • Reviewed and updated AML/CTF Policy appendix • Removed some redundant references to TAB services • Made a number of typographical corrections.
3.32.0	8 January 2022	<ul style="list-style-type: none"> • Updated a number of sections to address recent activity by L&GNSW relating to apparent proceeds of crime being inserted and collected with minimal turnover and no paper

		<p>trail. In particular the Suspicious Matters Examples subsection, AML/CTF Policy and training material.</p> <ul style="list-style-type: none"> • Updated the BetSafe involvement subsection of the AML/CTF Program section. • Updated the Tipping Off subsection in the Penalties for Non Compliance section • Updated the Know Your Customer, Club Entr and Enhanced Customer Due Diligence subsections of the Ongoing Customer Due Diligence section. • Updated the Suspicious Matters section to incorporate recent guidance from AUSTRAC about Suspicious Matter Reports and NDIS fraud. • Updated AML/CTF Compliance Officer & Nominated Contact Officer appendix • Reviewed and updated Risk Assessment Table appendix. • Reviewed and updated AML/CTF Training Policy appendix • Updated AML/CTF Policy appendix • Added BetSafe Online AML/CTF Training for General Staff appendix • Added BetSafe Online AML/CTF Training for Duty Managers appendix • Updated AML/CTF Training Slides appendix • Added Tipping Off Quick Guide appendix • Made a number of typographical corrections.
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1. **Introduction**

The *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)* (**AML/CTF Act**) requires Queanbeyan Sports & Community Club Ltd (**the Club** or **QSCC**) to have an Anti-Money Laundering and Counter-Terrorism Financing (**AML/CTF**) program in place. The Club's AML/CTF program is intended to identify, mitigate and manage the risk the Club may reasonably face through the provision of gaming services that might involve or facilitate money laundering or terrorism financing (**ML/TF**). The Club is required to self-assess the nature, size and complexity of its business in relation to exposure to ML/TF risk and collect and verify Know Your Customer (**KYC**) information in relation to threshold transactions and suspicious matters (i.e. customer identification program).

The AML/CTF reporting requirements commenced on 12 December 2008.

Information reported to the Australian Transaction Reports and Analysis Centre (**AUSTRAC**) may be utilised by the Australian Taxation Office, Australian Customs Service, National Crime Authority, Australian Federal Police, State Police and other government law enforcement agencies.

2. **Who Benefits From the Club's AML/CTF Program?**

1. **Your family** – fighting money laundering deters the underlying crimes that can affect you and your family directly
2. **Your community** – creating an environment that is hostile to criminal enterprise deters the criminalisation of the community
3. **Your organisation** – preventing the Club being used to launder proceeds of crime which protects your organisation and job
4. **Australia's financial system** – maintaining the world standing of Australia's financial system protects your investments, superannuation, shares etc.

3. **AUSTRAC**

3.1. **Role of AUSTRAC**

AUSTRAC is the government body responsible for administration of the AML/CTF laws.

AUSTRAC can be contacted as follows:

- Helpdesk: 1300 021 037
- Suspect Hotline: 02 9413 3705
- Fax: 02 9950 0071
- Email: help_desk@austrac.gov.au
- Postal Address: AUSTRAC, PO Box 5516, West Chatswood NSW 1515

3.2. **AUSTRAC enrolment procedure**

It is the Club's policy to fully comply with all legal requirements, including the *AML/CTF Act*. The Club provides designated services under the *AML/CTF Act* so needs to enrol with AUSTRAC. Enrolment information provides AUSTRAC with a more accurate understanding of its regulated population. This is particularly important for identifying which entities are subject to the annual AUSTRAC supervisory levy and the amount of the levy which will apply to each applicable entity.

The Club must enrol with AUSTRAC and:

- provide information to AUSTRAC about its business and the services it provides;
- keep certain records relating to its business and annual financial statements; and
- keep this enrolment information up-to-date.

The Club initially enrolled by 28 November 2011. Enrolment took place electronically through AUSTRAC Online.

As part of the enrolment, the Club must declare if it:

- has been granted an exemption from AML/CTF Act Part 7 (requirements to have an anti-money laundering and counter-terrorism financing program); and
- provides gaming machine designated services and is licensed to operate no more than 15 gaming machines.

This information enables AUSTRAC to determine which entities are required to pay the annual AUSTRAC supervisory levy.

The law requires the Club to provide AUSTRAC with information about its business, including about the designated services provided; and whether the Club is exempt from the requirement to have an anti-money laundering and counter-terrorism financing program (AML/CTF Act Part 7).

As the Club is not exempt from AML/CTF Act Part 7 it will also need to provide details of the number of employees and the earnings of the Club.

After the form has been submitted AUSTRAC will notify the Club in writing that it has successfully enrolled and that the Club has been entered on the AUSTRAC Reporting Entities Roll. The Club will also receive an AUSTRAC Account Number (AAN) for future correspondence with AUSTRAC.

The Club is required to notify AUSTRAC of any changes to its enrolment details within 14 days of the change arising.

The Club can advise AUSTRAC of a change to its details electronically through the Club's AUSTRAC Online account using the following procedure:

1. Log into AUSTRAC Online: <https://online.austrac.gov.au>.
2. Click on 'My Business'.
3. Click on 'Business Profile'.
4. Click the 'Download AUSTRAC business profile form' (**the Form**) button.
5. Complete your changes (you will not be required to re-enter all your information). Alternatively, save the Form to your computer to return to at a later time to complete.
6. Once the Form is complete, click the 'Submit' button. The information you enter in the Form will be sent securely via the internet to AUSTRAC.
7. Click the 'Go to Submission Confirmation Page' button to save and print or email a copy of your completed form for your records.

For assistance with the enrolment procedure, the AUSTRAC Help Desk can be contacted using the above contact details.

3.3. AML/CTF Compliance Report

The AML/CTF Compliance Report is an annual report which provides AUSTRAC with information about the Club's compliance with the AML/CTF requirements. It is a legislative requirement under the AML/CTF Rules for the Club to submit an AML/CTF Compliance Report to AUSTRAC.

The AML/CTF Compliance Reports are due by 31 March each year and relate to the previous calendar year.

It is the Club's policy that the AML/CTF Compliance Officer will submit the annual AML/CTF Compliance Report to AUSTRAC, prior to the relevant deadline, by completing the following steps:

1. Log into AUSTRAC Online: <https://online.austrac.gov.au>.
2. Click on 'My Business'.
3. Click on 'Compliance Reports'.
4. Click the 'Create New Report' button.
5. Select the relevant reporting period in the drop down box (the correct reporting period should be automatically selected).
6. Answer all of the required questions on each page and click on the 'Next' button on the bottom of each page.
7. On the last page select the 'I agree' checkbox to confirm that the information provided is true and correct to the best of your knowledge.
8. Click the 'Lodge Compliance Report' button.

For assistance submitting the AML/CTF Compliance Report, the AUSTRAC Help Desk can be contacted using the above contact details.

3.4. Responding to AUSTRAC feedback

The Club is required to have appropriate procedures for responding to any feedback provided by AUSTRAC in respect of the Club's performance on the management of ML/TF risk.

Feedback from AUSTRAC directly relating to the Club

1. AUSTRAC feedback to be dealt with by the Club's AML/CTF Compliance Officer immediately upon receipt.
2. The AML/CTF Compliance Officer shall give the highest priority to the AUSTRAC feedback and is to investigate any matter raised by AUSTRAC and respond within the time specified time period. Where there is no specified time period, the Club will endeavour to provide a written response to AUSTRAC within 14 days of receipt.
3. Where additional time is required by the AML/CTF Compliance Officer, an initial response will be provided to AUSTRAC within 14 days of receipt, with an indication of the additional time required to respond to matters raised in the AUSTRAC feedback.
4. The AML/CTF Compliance Officer will prepare a report to the Club's Board comprising the AUSTRAC feedback, the Club's response and any other relevant information.
5. The Club will respond appropriately to the AUSTRAC feedback as soon as reasonably practicable and take any advice into account.
6. In the event that the Club disagrees or questions any matter contained in the AUSTRAC feedback, then the Club shall arrange to meet with AUSTRAC as soon as practicable to discuss and resolve the matter.

7. The AUSTRAC feedback and the Club's response will be documented and kept with the AML/CTF documentation by the AML/CTF Compliance Officer.

Guidance published by AUSTRAC

AUSTRAC periodically publishes guidance materials and feedback to the gambling industry in relation to AML/CTF obligations. The Club's AML/CTF Compliance Officer will give consideration to such materials and, where appropriate, do one or more of the following:

1. advise the Club's Board and/or Senior Management of the guidance and/or any additional measures which are required to be undertaken by the Club;
2. ensure relevant staff are made aware of obligations through training or other means;
3. arrange for necessary amendments to be made to the Club's AML/CTF program;
4. arrange for an Independent Review to be conducted; or
5. undertake some other type of action deemed appropriate by the AML/CTF Compliance Officer.

4. Money Laundering & Terrorism Financing

4.1. What is money laundering?

Money Laundering is the process of legitimising funds obtained from illegal activities. Illegal arms dealing, smuggling and other criminal activities related to organised crime can generate huge profits. The goal of most criminal acts is to generate a profit for the individual or group carrying out the illegal activity.

Money Laundering allows criminals to enjoy their money by preventing law enforcement agencies being able to identify the source of the money.

4.2. The money laundering cycle

1. Placement: the initial entry of "dirty money" into the financial system.
2. Layering: consists of a series of transactions designed to conceal the origin of the funds.
3. Integration: money is returned to the Australian economy as legitimate funds. The money is now "clean".

Money laundering is often linked to the illicit global drug trade. Criminals including people smugglers, illegal prostitution rackets and terrorists launder an estimated \$4.5 billion dollars a year.

4.3. What is terrorism financing?

"The act of providing financial support to terrorists or terrorist organizations to enable them to carry out terrorist acts."

(UN Convention for the Suppression of the Financing of Terrorism, 2002)

AUSTRAC is Australia's financial intelligence unit and AML/CTF regulator. Information provided by the Club under this program may assist AUSTRAC and other government agencies to identify terrorism financing.

5. Designated Services

The Club provides the following designated services – see [AML/CTF Act s. 6, Table 3](#).

5.1. Gaming machines

- Item 6 – **accepting the entry of a person into a game**, where:
 - (a) the game is played for money or anything else of value; and
 - (b) the game is a game of chance or of mixed chance and skill; and
 - (c) the service is provided in the course of carrying on a business; and
 - (d) the game is not played on a gaming machine located at an eligible gaming machine venue
- Item 9 – **paying out winnings, or awarding a prize**, in respect of a game, where:
 - (a) the game is played for money or anything else of value; and
 - (b) the game is a game of chance or of mixed chance and skill; and
 - (c) the service is provided in the course of carrying on a business; and
 - (d) the game is not played on a gaming machine located at an eligible gaming machine venue

AML/CTF Act s. 13 provides that:

- a “controller” of a gaming machine venue is a person who is in control of the gaming machine venue but is neither the owner nor the lessee of the gaming machines; and
- an “eligible gaming machine venue” is a venue that is neither the owner nor the lessee of the gaming machines.

Therefore, the Club is not considered a “controller” or an “eligible gaming machine venue” as it is the owner of the gaming machines.

5.2. Keno

Keno is exempt from the AML/CTF requirements.

5.3. Wagering

The Club is an agent for TABCORP in relation to the provision of TAB wagering services. The Club is required to comply with the requirements of TABCORP regarding wagering matters. Refer to the TAB AML/CTF program documentation.

6. The Club’s AML/CTF Program

6.1. Part A: General

The Club’s program is designed to identify, reduce and manage the ML/TF risk the Club may reasonably face through its provision of designated services. The Club’s program includes:

- The appointment of an AML/CTF Compliance Officer
- Employee Due Diligence
- Employee Training
- Monitoring & Review
- Board & Senior Management Approval
- The development and continuous updating of this manual

Obligations under AML/CTF Act	Systems/Controls Implemented
AML/CTF Compliance Officer	Appointment of AML/CTF Compliance Officer
Document AML/CTF program	AML/CTF Compliance Manual &

	Procedures
Employee Due Diligence	All new employees screened and on promotion
Employee Training	All relevant staff receive AML/CTF training
Monitoring and Review	Ongoing internal monitoring and annual external review
Board and Senior Management Oversight	Regular AML/CTF reports to Management and Board
Risk Identification and Assessment	Risk Assessment reviewed annually and for new technologies/services
Know Your Customer	KYC applied to all payouts of \$10,000 or more
Enhanced Customer Due Diligence	Additional information obtained
Politically Exposed Persons	PEP procedures
Threshold Transaction Reporting	Not applicable
Suspicious Matter Reporting	Staff training/procedures
Confidentiality and Privacy	Staff training/procedures
Recording Procedures	Records kept in understandable form and readily retrievable for 7 years
New or Modified Designated Services	Assess risks, update staff training

6.2. Part B: Customer identification

The Club's customer identification procedures require the Club to gather identification information about customers who access designated services. The minimum information to be obtained from the customer is:

- full name
- date of birth (when a customer joins the Club as a member and/or when a Know Your Customer form is completed)
- residential address

However, in certain circumstances it will be necessary to seek additional information.

6.3. BetSafe involvement

BetSafe assists the Club in the development of this AML/CTF program manual and provides ongoing advice and consultancy to the Club in respect to the AML/CTF obligations. BetSafe shall be part of the Club for these purposes and subject to the Club's requirements.

7. Application of the AML/CTF Law

The AML/CTF requirements apply to reporting entities which includes the Club, because it provides gaming machines services, which are defined as designated services.

The law requires the Club to develop and implement an AML/CTF program, which must comply with the legal reporting requirements.

AUSTRAC considers a group of clubs to be a single reporting entity where it has the same Australian Business Number (**ABN**). Where clubs within a group have different ABNs, they should register with AUSTRAC as separate entities. When a club amalgamates with another club and changes its ABN, it needs to notify AUSTRAC.

8. Penalties for Non-Compliance

The Club, AML/CTF Compliance Officer and staff risk prosecution and significant penalties for failure to comply with their AML/CTF obligations. The following are some of the offences and penalties for failure to comply with the legislation.

8.1. 'Tipping off' provisions

Tipping off a person that the Club is considering or has made a *Suspicious Matter Report* to AUSTRAC is an offence under AML/CTF Act s. 123 and carries a maximum sentence of 2 years imprisonment or 120 penalty units.

More information on the tipping off provisions is located at **Appendix X**.

8.2. Assisting a person to launder money

Assisting a person to evade the requirements by using a false name or failing to notify AUSTRAC that a person is known to commonly use more than one name is an offence under AML/CTF Act s. 139 and carries a maximum sentence of 2 years imprisonment or 120 penalty units.

Assisting a person to structure their financial transactions for the purpose of avoiding the transaction threshold reporting limit is an offence under AML/CTF Act s. 142 with a maximum penalty of 5 years imprisonment or 300 penalty units.

8.3. Other penalties

A maximum penalty of 100,000 penalty units (\$21 million) applies to a company and 20,000 units (\$4.2 million) for a person if the CEO of AUSTRAC takes proceedings in the Federal Court and a civil penalty order is issued.

9. Risk Identification and Assessment

The law requires the Club to identify and assess its risk. Different levels of compliance are required by the AML/CTF law depending on the self-assessed level of risk.

ML/TF risk assessment means an assessment by the Club of the risk that may be reasonably faced through the provision of designated services that might involve or facilitate ML/TF.

The Club is also required to identify, mitigate and manage the risk that the provision of the designated services that might involve or facilitate ML/TF.

The Club's ML/TF risk identification process is ongoing. The Club is required to constantly re-evaluate the factors that may affect its risk and re-assessing the level of risk. Independent reviews are an essential part of the identification and assessment process. In particular, the Club must ensure that its risk management systems and procedures remain equipped to cover:

- potential new ML/TF risks posed by current or planned designated services;
- all new or developing technologies used to deliver designated services; and
- changes in its customer base or product patterns.

Examples of events that may result in changes to the Club's ML/TF risk are:

- significant increase or reduction of either the group or a site's gaming machine entitlements;
- significant increase or reduction of either the group or a site's MTGMs;
- significant change in the customer types within either the group or a site's respective LGA;
- significant changes to the group's cash payouts procedures;
- significant changes to the group's loyalty program;
- significant changes to the group's policies and procedures;
- amalgamating with another Club which was located outside of existing LGAs; or
- introduction of a new designated service (e.g. player accounts, casino table games/chips).

Please refer to the Risk Management Table at **Appendix B** for the identification of the Club's current ML/TF risks and the Risk Assessment Table at **Appendix C** for the current assessment of the Club's ML/TF risks.

10. Significant changes to ML/TF risk

The Club's AML/CTF procedures reflect the assessed level of ML/TF risk. The Club must constantly assess its level of ML/TF risk. Matters to be considered when assessing the level of the Club's ML/TF risk include:

- size of gaming activities
- forms of gambling offered
- the available technology
- new or modified designated services
- types and volume of financial transactions
- changes in the demographics of membership catchment
- merger with another club
- persons of interest and politically exposed persons
- information about criminal activity in or near the Club
- regulatory changes
- changes to club policy

When the Club becomes aware that a significant change to any one or more of the factors listed above (or any other relevant factor) is about to occur, or has occurred, then the Club must reassess its level of ML/TF risk.

From time to time the Club may introduce new designated services, delivery methods of designated service or modify existing designated services. The Club is required to assess the ML/TF risks posed by these changes prior to making them available to its customers. The results of the risk assessment process are to be documented and a copy provided to senior management and the Board.

In the event that the Club determines that its level of ML/TF risk has changed, it must immediately review all relevant AML/CTF policies and procedures and make such changes as are appropriate. In particular, if the level of ML/TF risk becomes high, the Club may need to change its customer identification requirements.

11. AML/CTF Compliance Officer

The Club is required to appoint an AML/CTF Compliance Officer. The AML/CTF Compliance Officer is responsible for AML/CTF compliance issues throughout the Club. The Club is a single reporting entity, so only one AML/CTF Compliance Officer is required.

The AML/CTF Compliance Officer is required to ensure continuing compliance with the obligations of the AML/CTF Act and AML/CTF Rules, including:

- Enrolling and maintaining business details with AUSTRAC
- Approving the AML/CTF program and procedures
- Updating and maintaining the AML/CTF program and procedures
- Updating and maintain the ML/TF risk assessment
- AML/CTF training for staff members
- The Employee Due Diligence program
- Liaison with senior management and/or club Board on AML/CTF issues
- Organisation of independent reviews of Part A of the AML/CTF program
- Consideration of any AUSTRAC feedback regarding the reporting entity's risk management performance
- Acting as the contact officer for AUSTRAC matters such as reporting suspicious matters and threshold transactions, urgent reporting, compliance assessments or requests for information or documents
- Monitoring transaction and customer activity to identify suspicious transactions
- Conducting further inquiries on high-risk or suspicious customers
- Management of PEP procedures
- Sighting and recording identification for customers
- Reporting threshold transactions and suspicious matters to AUSTRAC
- Keeping records of the AML/CTF program and customer identification
- Submitting AML/CTF Compliance Reports to AUSTRAC
- Ensuring AML/CTF compliance.

The AML/CTF Compliance Officer's appointment is required to be approved by the Club's Board. Details of the AML/CTF Compliance Officer are contained in **Appendix A**.

In the event that the AML/CTF Compliance Officer ceases employment at the Club or their role as AML/CTF Compliance Officer is relinquished, the Club's Chief Executive Officer will appoint an interim AML/CTF Compliance Officer within 14 days. The Club's Board will be required formally appoint a permanent AML/CTF Compliance Officer as soon as practicable after the appointment.

12. Oversight of Program by Board and Senior Management

The Club's Board and senior management are legally required to have oversight of the Club's AML/CTF obligations. The Board and Senior Management must be aware of their AML/CTF obligations.

12.1. Oversight of ongoing compliance

The Board must be kept informed of AML/CTF matters. It is the Club's policy that the AML/CTF Compliance Officer provides a monthly AML/CTF report to the Board. The AML/CTF Compliance Officer's report shall notify the Board about any *Suspicious Matter Reports* and provide information about the ongoing AML/CTF activities.

12.2. Approval of the Club's AML/CTF program

The Club's Board and Chief Executive Officer have approved the Club's AML/CTF program, as required the AML/CTF Act.

13. Staff Training

The effectiveness of the AML/CTF program depends on the extent to which staff appreciate the serious nature of money laundering, tax evasion, terrorism etc.

The law requires staff training to include the following:

- A general understanding of the possibility of the Club's financial processes being used for money laundering, tax evasion or corporate crime;
- Knowledge that the Club is legally required to have an AML/CTF program under the AML/CTF legislation;
- Awareness that significant penalties apply for breaches of the legal requirements;
- Specific reference to the AML/CTF legislation in all relevant areas of training;
- Understanding of their and the Club's AML/CTF obligations;
- An appreciation of the importance of reporting suspicious matters, as members of staff dealing with the public are the first point of contact with potential criminals and their efforts are vital to the fight against money laundering, major tax evasion and corporate crime;
- Identification of PEPs and high-risk ML/TF customers; and
- The ability to identify and report suspicious matters.

The Club's AML/CTF Training Policy is located at **Appendix L**.

14. Employee Due Diligence Program

Employee Due Diligence (*EDD*) means conducting ML/TF risk assessments for new and existing employees.

The Club is required to have an EDD Program in place as part of the Club's AML/CTF program. The EDD Program is designed to minimise the risk of employing or promoting staff who may not comply with the AML/CTF requirements or may assist ML/TF activities.

The Club's EDD Policy is located at **Appendix K**.

15. Ongoing Customer Due Diligence

The Club has an ongoing relationship with its full members. A temporary member, visitor or guest of member does not have an ongoing relationship with the Club. Their rights and obligations cease at the end of that trading day.

Ongoing Customer Due Diligence (*OCDD*) requires a reporting entity to monitor its ongoing customers with a view to identifying, mitigating and managing any ML/TF risk that may be posed by providing one or more designated services.

OCDD involves:

- collecting and verifying initial KYC information, and
- providing ongoing monitoring of customers and their transactions.

Refer to the AUSTRAC Ongoing Customer Due Diligence Flowchart located at **Appendix G** for more information.

15.1. Know Your Customer

The Club must collect and verify initial Know Your Customer (**KYC**) information and provide ongoing monitoring of customers and their transactions.

The Club must monitor its customers with a view to identifying, mitigating and managing any ML/TF risk that may be posed by providing gambling services.

AML/CTF Rules Parts 4.2 to 4.8 require the Club to collect and verify customer information based on the particular customer type where the customer is considered a medium or lower ML/TF risk.

The KYC process applies to all of the Club's customers who receive gambling services, including persons who were customers of the Club before the AML/CTF laws commenced.

A process must be in place to address the KYC requirements of the AML/CTF Act. For gaming machine payouts of \$10,000 or more, the identity details of the customer are to be verified and recorded using reliable documentation. The minimum required information is:

- full name
- date of birth
- residential address

When the self-assessed ML/TF risk is medium or lower, then this process, known as the “documentation based safe harbour” identification standard may be used. However, entities that assess themselves as greater than medium level risk are required to use more stringent identification methods.

AML/CTF Rules cls. 4.2.10 & 4.2.11 provide that safe harbour documentation means:

- **Primary photo identification:** driver licence, passport or NSW photo card (or another Australian state or territory equivalent); or
- **Both** an original or certified copy of a **primary non-photographic identification** document such as a birth certificate, **and** an original or certified copy of a **secondary identification** document, such as a tax assessment, rates notice or electricity bill that is less than 3 months old.

AML/CTF Rules cl. 4.2.9 requires the Club to have a process in place to be reasonably satisfied that a customer is the person that he or she claims to be. Staff must check that the photograph on the identification matches the individual and that other information (e.g. the stated age on the documentation) is consistent with other information that is available.

If the Club suspects that a customer is not the person that the customer claims to be, or the Club has doubts about the veracity or adequacy of documents or information previously obtained for the purpose of identifying or verifying the customer, then AML/CTF Rules cl. 6.1.3 requires the Club to obtain and verify additional KYC information; or update and verify existing KYC information, to be reasonably satisfied that the customer is the person they claim to be.

More information relating to the acceptable forms of identification is located at **Appendix E**.

15.2. Entry requirements

The Club complies with the requirements of *Registered Clubs Act 1976 (NSW) s. 30* (see **Appendix R** for extracts). All persons other than staff and full members must “sign in” to gain entry to the Club.

The “sign in” process requires temporary members and visitors to provide their name and full address in the register located at the club entrance. Customers who live within 5 km of the Club are generally not permitted entry as temporary members but must apply for full membership (with certain exceptions).

The Club requires both applicants for membership and visitors to provide document based safe harbour identification, usually a driver licence. Each time a full club member enters the Club, that member must produce their membership card and entry staff will compare the photo on the card with the member.

Temporary members, visitors and guests do not have an ongoing relationship with the Club and must sign in using the Club’s electronic sign in system upon entering the Club on each trading day. The system scans the customer’s identification and keeps it on record.

15.3. Membership requirements

To become a member, a customer must complete a Membership Application Form. The customer must also provide acceptable identification to comply with the requirements for members under the *Registered Clubs Act 1976 (NSW) ss. 30 & 31*.

It is standard procedure for staff to select the type of identification produced and card number in the ‘Office use only’ section of the Membership Application Form.

The preferred identification documents to be produced by customers seeking to join the Club are a primary photographic or primary non-photographic identification document. Staff are required to check the customer’s identification to confirm that it is a genuine document, that it has not expired, and that the identification relates to the customer seeking membership. Club staff will then confirm the customer’s full name, and residential address and/or date of birth.

In the event that the customer is unable to produce a preferred identification document, Club staff will request the alternative identification documentation at the discretion of the Supervisor.

The Membership Application Form when completed will be retained by the Club.

15.4. Membership renewals

Membership staff will also check the contact details of customers when they renew their membership in person at the Club.

15.5. Change of customer details

Staff are to ensure that the Club has up-to-date information about members. When staff become aware that an existing customer’s information has changed, for example a change of name or address, staff must take reasonable steps to verify the accuracy of the new information and then update the Club’s records. This can be done by staff members notifying the Supervisor of the information that causes them to believe the customer’s information has changed. The Supervisor will then take steps to verify the new information and notify the staff responsible for maintaining membership records.

15.6. Return of correspondence

When correspondence sent to a member by post is returned to the Club, membership staff shall seek to contact the member and obtain details of their change of address.

In the event a staff member is unable to contact the member to update their details, the respective membership record will be flagged to alert relevant staff members to update their details when they next make a membership enquiry at the Club.

15.7. Payout policy

The following legislative and club requirements apply in relation to processing payouts:

- *Gaming Machines Regulation 2019 (NSW) cl. 12* requires all gaming machine handwritten payouts have the name and signature of the claimant recorded.
- *Gaming Machines Regulation 2019 (NSW) cl. 26* requires that gaming machine prizes exceeding \$5,000 must be paid by a crossed cheque payable to the prize-winner or by electronic funds transfer to an account nominated by the prize-winner.
- *Gaming Machines Regulation 2019 (NSW) cl. 107* requires all gaming machine ticket payouts exceeding \$5,000 (or redeemed 2 or more days after issue) to have the name, address and the signature of the claimant recorded.
- Club policy requires staff to complete the Know Your Customer Record (**Appendix D**) for all gaming machine payouts of \$10,000 or more.

Extracts from the *Gaming Machines Regulation 2019 (NSW)* are included at **Appendix S**.

15.8. When there is a discrepancy in identification documents

In the event of a discrepancy in the identification provided by customers seeking membership or payouts then staff are required to report the discrepancy to the Supervisor. The Supervisor is to speak with the customer and seek an explanation for the discrepancy. The Supervisor should decide whether the discrepancy:

- Can be clarified by the provision of additional supporting documentation;
- Is an attempt by a person under 18 years or an excluded person to gain admission to the Club by using false documents or another person's documents; or
- Is suspicious.

Where additional supporting documentation is provided by the customer, the additional information is to be noted in the customer's KYC records held by the Club. For example, the customer has married or changed their name between the time they joined the Club and the time they are seeking a prize payout. The customer would need to provide appropriate documentation evidencing the change of name, such as a marriage certificate. A person whose picture is different may have had facial surgery. In that case it will be necessary for the person to provide evidence that they now look significantly different, such as an updated driver licence.

Staff should check the Exclusion Register to see if the individual is presenting false identification to circumvent an exclusion and enter the Club. In that case, staff should follow the Club's procedures for dealing with self-excluded persons.

If the customer appears to be under 18 years old, then the Supervisor is to follow the Club's procedures for dealing with minors who attempt to enter the Club.

In all other situations, the Supervisor is to treat the matter as suspicious and escalate the matter in accordance with the Suspicious Matter procedure.

15.9. Transaction Monitoring Program

The purpose of the Club's Transaction Monitoring Program (*TMP*) is to identify, having regard to ML/TF risk, any transaction that appears to be suspicious. The Club's TMP is designed to identify complex, unusual, large transactions and unusual patterns of transactions, which have no apparent economic or visible lawful purpose.

The Club's TMP is made up of the following elements:

- Daily reconciliation of all gaming machines checking for any variation of money cleared from the machine compared to the meter readings.
- Weekly and monthly cash flow analysis of all gaming machines.
- Monthly analysis of the cheque payout register (all payouts exceeding \$5,000) checking for any repeated payouts for individuals which may constitute a suspicious matter.
- Observations made by staff working in the Club's gaming machine areas. All of the Club's staff working in these areas are required to undergo AML/CTF training (as documented in the Club's AML/CTF Training Policy).

Staff conducting transaction monitoring look for gaming machine data that is unusual or distorted. Following are examples of transactions that may warrant further investigation as part of the TMP:

- multiple cheque payments for an individual customer in a short period of time;
- significant increases in the amount of cheques or accumulated values of cheques for an individual customer within a calendar month, compared to previous calendar months;
- multiple payouts of \$10,000 or more for an individual customer in a short period of time;
- payouts in which a customer obtains a cheque for less than \$100 in value (the cheque may be modified for a significantly larger value);
- structured gaming machine ticket redemptions under the thresholds for documented proof of identity (e.g. under the \$5,000 for cheque payouts or \$10,000 amounts for KYC requirements); or
- fraud or theft in relation to the playing of a gaming machine.

When a transaction or transactions have been deemed unusual as part of the TMP, they are required to be escalated for further analysis, including conducting Enhanced Customer Due Diligence (ECDD). ECDD may not be recompleted if the customer has previously been deemed low risk, ECDD has been conducted in the past 6 months, and customer's level of play, etc, is consistent with previous triggers for ECDD.

As part of any ECDD that is conducted, the Club will give consideration to relevant data including utilising the following resources (where applicable and/or available):

- guest registers;
- KYC Records;

- cheque payout register;
- previously submitted Suspicious Matter Reports;
- membership records;
- polling information from related gaming machines (recorded in 15 minute intervals);
- CCTV footage; and/or
- web-based resources.

15.10.Enhanced Customer Due Diligence

The Club is required to monitor and maintain a proper understanding of its customers. It does this through the implementation of risk in risk-based systems and controls to determine whether any additional customer information needs to be collected, beyond the information collected in the initial applicable customer identification procedure.

The Club must seek additional KYC information when it determines under its risk-based systems and controls that the ML/TF risk is high in relation to a particular customer. These situations may include the following in relation to customers utilising the Club's designated services:

1. **Complex, unusual, large transaction or unusual patterns of transactions**, which have no apparent economic or visible lawful purpose.
2. Potential unusual activity has been uncovered as part of the Club's **Transaction Monitoring Program**.
3. **More than one name** being used by a customer where there is no valid explanation.
4. **Discrepancy in identification documents** (e.g. when a customer has different addresses, names or dates-of-birth recorded on different documents).
5. Where it appears that the customer is identified as a possible **Politically Exposed Person**.
6. Where it is suspected that the customer may be **involved in criminal activity or have possible associations with criminal organisations**.
7. To assist in determining whether a **Suspicious Matter Report** ought to be lodged.
8. Customers and transactions involving **high risk countries, regions and groups**, including Iran and the Democratic People's Republic of Korea (North Korea).
9. Customers who have stipulated their occupation as being a carer and being suspected as **possible fraudulent activity involving the National Disability Insurance Scheme (NDIS)**.

The AML/CTF Compliance Officer shall apply a risk-based decision making process when determining what Enhanced Customer Due Diligence (**ECDD**) measures are appropriate to the matter that gave rise to the suspicion or the assessment of high ML/TF risk. This will require:

- A review of the matter that gave rise to the suspicion or assessment of high ML/TF risk
- Consideration of all available evidence
- Anticipating which ECDD measures are most likely to provide useful information
- Avoiding 'tipping-off' the individual concerned

The AML/CTF Compliance Officer shall apply ECDD measures proportionately to the level of risk that is determined. Where an individual is assessed as being of extremely high risk, a greater degree of ECDD measures shall be applied. ECDD measures that may be appropriate include one or more of the following:

- making more detailed analysis of the customer's KYC information;
- verifying or re-verifying KYC information;
- undertaking more detailed analysis and monitoring of the customer's past and current gambling activity (such as analysis of records of previous prize payouts or credit redemptions made for the customer); and
- considering whether or not a *Suspicious Matter Report* ought to be made to AUSTRAC.

The AML/CTF Compliance Officer may direct staff to make discreet inquiries about the customer from other patrons or sources, such as:

- aliases or other names by which they are known;
- date of birth, if not already recorded;
- country of citizenship and residence;
- occupation; and/or
- employer.

The AML/CTF Compliance Officer may also make inquiries with the police regarding persons suspected of involvement in criminal activities.

Publicly available information can also be checked, such as a Google search on the person's name.

Asking the customer for more information, including about their identity or the source of their funds, is not usually considered 'tipping off'. However, the Club should not perform any ECDD measure that would probably tip off the customer, but instead discreetly apply other ECDD measures.

The Enhanced Customer Due Diligence Form (**Appendix F**) must be completed for all customers subjected to the ECDD procedure. The completed form (and any supporting documentation) must be retained by the AML/CTF Compliance Officer.

Once the ECDD has been completed, the AML/CTF Compliance Officer shall:

1. record the results of the ECDD process and all information obtained about the individual;
2. determine whether any further action is required, e.g. report to senior management, Suspicious Matter report to AUSTRAC; and
3. record details of the individual in the Persons of Interest Register.

15.11. Politically Exposed Persons

Staff are trained to look out for possible Politically Exposed Persons (PEPs). When a patron is identified as a possible PEP, the AML/CTF Compliance Officer should consider the available evidence to determine whether the person is a PEP.

Information about PEPs may be sought from a range of information sources. See the Extracts from AUSTRAC Politically Exposed Persons Guidance Note (**Appendix U**) and Politically Exposed Persons Questionnaire (**Appendix V**) for details of the legal requirements and identification criteria.

Monthly procedure

The following procedure is carried out on a monthly basis to assist the Club in screening for any potential PEPs which have joined or re-joined the Club in the previous calendar month:

1. A list containing the names and occupations is obtained from the Club's membership system
2. The list is sorted by occupation
3. All members with occupations which may fall within the definition of a PEP are shortlisted
4. All shortlisted members' names are subjected to a Google search to assist in flagging anyone who may be a Politically Exposed Person.
5. The AML/CTF Compliance Officer shall review the shortlist and assess the risk of anyone flagged as potential PEPs in accordance with the Club's ECDD and/or Suspicious Matter procedures.

Payouts of \$10,000 or more

The Club is required to give consideration as to whether any customer receiving a payout of \$10,000 or more is a PEP prior to, or as soon as practicable after, the payout being made.

ECDD will be completed in relation to all payouts of \$10,000 or more. This will be completed as soon as practicable after the payout has been made.

Steps to follow once a customer has been deemed as a PEP

Once a customer has been deemed as a PEP the Club's AML/CTF Compliance Officer will:

1. take reasonable measures to establish the source of wealth and funds for the customer from a publicly available register of their interests;
2. give consideration to business relationship and scrutiny of transactions undertaken to ensure the transactions being conducted are consistent with the knowledge of the customer, their business and risk profile, including where necessary, their source of funds;
3. enter the details of all customers identified as PEPs to the Persons of Interest Register;
4. consider whether the Club should maintain an ongoing relationship with each identified PEP; and
5. notify the Club's board of any PEPs of whom the decision has been made to discontinue its ongoing relationship.

15.12. Persons of interest register

Customers are normally considered to be low-risk. However, when the AML/CTF Compliance Officer receives information about a person that warrants further investigation, then the AML/CTF Compliance Officer shall record the name of that person in the Persons of Interest Register. Any further information about that person shall be added to the records held in the Persons of Interest Register. The AML/CTF Compliance Officer shall determine the ML/TF risk posed by all persons recorded in the Persons of Interest Register and make such further inquiries as are appropriate.

15.13. Security procedures

The Club has security procedures which assist OCDD. The AML/CTF Compliance Officer may wish to view security camera footage of the customer or interview staff as part of the OCDD process.

16. Suspicious Matters

16.1. Legal and procedural requirements

The Club must report suspicious matters to AUSTRAC about any service covered by the AML/CTF Act which is provided, proposed to be provided or which has been asked to be provided to a person. This requirement applies whether the Club provides the service to that person or not. A *Suspicious Matter Report (SMR)* must be reported to AUSTRAC if a suspicion is formed on reasonable grounds that:

- the person (or their agent) is not who they claim to be;
- information you have may be relevant to investigate or prosecute a person for an evasion (or attempted evasion) of a tax law or an offence against a Commonwealth, state or territory law;
- it may be of assistance in enforcing the Proceeds of Crime Act 2002 or corresponding state or territory law; or
- providing a service may be relevant to a ML/TF offence.

All Suspicious Matter Reports must be submitted to AUSTRAC in the approved form and contain the specified information. AUSTRAC prefers reports to be submitted electronically via the AUSTRAC Online website. Alternatively reports can be submitted to AUSTRAC in paper form. A paper form can be obtained by calling the AUSTRAC Help Desk.

Further information and assistance is available from the AUSTRAC e-learning courses about transaction reporting which can be found through the website: www.austrac.gov.au/business/how-comply-guidance-and-resources/reporting/suspicious-matter-reports-smr

16.2. What is a suspicious matter?

A transaction or attempted transaction should be considered a suspicious matter when a feeling of apprehension or mistrust about the transaction is formed and suspicion is formed that the transaction is relevant to:

- Tax evasion
- Money laundering
- Terrorism financing
- Corporate crime
- Proceeds of crime
- Other serious crime

16.3. Suspicious activities that may be attempts to launder money

- Claiming gaming machine prizes/payouts whilst not being the legitimate prize winner
- Exchanging cash for prize-winning cheques or gaming machine tickets
- Inserting large amounts of cash/credits into gaming machines, then cancelling credits and/or claim a prize following a period of minimal play/turnover
- Employee collusion in money laundering activities
- Individuals buying winning tickets from other customers
- Individuals providing fake identification, or someone else's identification when claiming payouts

- Amounts being bet are large and the account holder has access to large amounts of money via their occupation, e.g. bank employee or accountant

16.4. Establishing the identity of a person

Although it is beneficial to identify a person prior to submitting a Suspicious Matter Report, reports are still required to be lodged for persons who have not or cannot be identified.

Suspicious Matter Reports must contain details of reliable and independent identification documentation (such as the documentation outlined in **Appendix E**) and cannot contain other non-official identification information, such as a club membership number.

The following information will also assist in the identification of the person and should be included (if known) in Suspicious Matter Reports:

- name;
- telephone number;
- residential address;
- postal address if different to residential address;
- email address;
- date of birth;
- country of citizenship;
- occupation, business or principal activity and ABN;
- any other name by which the person is known;
- description of the person; and/or
- whether the club holds any relevant documentation, video or photographs of the person.

16.5. What makes a good Suspicious Matter Report?

A good SMR should try to answer these 6 questions:

1. WHO - names of individuals involved in the suspicious activity
2. WHAT - the type of transaction/activity involved
3. WHERE - where the activity is taking place
4. WHEN - specific times and dates of the activity
5. WHY - your reason for suspicion and the crime type you suspect is involved
6. HOW - the manner in which the activity is conducted.

16.6. Indicators of possible suspicious matters

- Attempts to use a false name or address
- Production of seemingly false identification in the KYC process
- The refusal to provide identification when completing a KYC record
- Structuring of transactions – attempts to break up a transaction for an amount of \$10,000 or more into smaller amounts to avoid the reporting of the transaction
- Unusual financial activity, particularly where significant amounts of cash are involved in circumstances that are difficult to explain
- Customers receiving multiple cheque payments on a single day
- Customers receiving a volume of cheques within a specific time period that is beyond what would be considered normal
- Unusual behaviour of the customer involved in the transaction (e.g. unusual nervousness)

- A winnings cheque being requested in the name of a third party
- Exchange of smaller denomination bank notes to either larger denomination bank notes or cheques
- Banknote(s) that appear to be counterfeit
- Use of National Disability Insurance Scheme (NDIS) sourced funds for cash withdrawals or gambling

A suspicious matter must be reported even if it does not involve any dealing in cash. The transaction does not need to be completed to warrant a *Suspicious Matter Report*. An attempt to conduct a transaction that is suspicious must also be reported.

16.7. Examples

Hedging bets on a gaming machine

A patron inserts a large amount of money into a gaming machine, turns over a small amount of money (or no money) and then collects the payout requesting a cheque.

Purchasing gaming machine credits or tickets

A patron walks around the gaming area looking for other patrons who have large wins. The patron approaches the other patrons and offers to buy their credits or tickets. They may even pay more money than what the credits or tickets are worth.

Hedging bets on a roulette machine

A patron bets both red and black on the same game of roulette. By doing this they are hedging their bets as they will win most of their money back 97% of the time.

Variations of this include two patrons colluding with one betting red and the other betting black on separate terminals. A customer may also bet on every number rather than betting on red and black.

Multiple cheques over a short period of time

A patron may receive a number of cheques over a short period of time. Although you may not notice anything suspicious about their behaviour in order to receive the payouts, the fact that they received multiple cheques in a short time can be unusual.

Hiding identity

A patron may use a false name to pretend to get payout in someone else's name or hide who is gambling the money.

In order to do this a visitor may provide false identification to enter the Club or someone may join the Club as a member in someone else's name.

Avoiding being identified

A patron may avoid being identified by ensuring that their payout amount will be below \$5,000. To do this they may deliberately play down their credits to just under \$5,000, or tell you that they did this as they didn't wish to be identified.

Requesting a payout be made out to someone else

A patron may request that a payout be made out to another person. Although you are unable to do this, the request made by the patron is suspicious and needs to be reported.

Counterfeit and stolen money

A patron requests to exchange a large bundle of money from one denomination to another (e.g. \$50 to \$100 notes). If this occurs, make sure you count out each individual note ensuring ALL notes are genuine.

Another indication may be if a gaming machine did not accept a particular note - pay close attention as it may be fake. Gaming machine and CRT note acceptors should always detect counterfeit notes.

Counterfeit and modified gaming payout cheques

A patron inserts \$5,030 in a gaming machine. The patron plays \$5 and collects a ticket to the value of \$5,025. The patron redeems the payout collecting \$5,000 in cash and the remaining \$25 in cheque. The cheque is later modified to change the value to \$25,000 and banked. The modified cheque may not be detected by the Club until a bank reconciliation is carried out.

Both the initial behaviour to obtain the cheque and the actions carried out to modify the cheque are suspicious.

Proceeds of crime

A patron inserts a large number of banknotes into a gaming machine, followed by minimal play. The patron then collects a ticket from the gaming machine and redeems it at a CRT or cashier. The patron then leaves the venue.

Another scenario may involve a patron approaching the cashier and requesting to exchange a large number of banknotes from one denomination to another. The patron then leaves the venue without playing a gaming machine.

Collusion between staff and money launderers

A corrupt staff member may alert the money launderer to significant payout situations and facilitate the introduction of the prize-winner and the money launderer. Staff may also be involved in other ways with money launderers.

NDIS sourced funds for cash withdrawals or gambling

A person who has fraudulently obtained National Disability Insurance Scheme (NDIS) funds gambles these funds as a way of hiding their origin or destination.

This person may be personally receiving NDIS funding or work for a provider of NDIS services.

Further Examples

Refer to **Appendix T** for further examples provided by AUSTRAC.

16.8. Suspicious matter reporting procedure

Staff need to be trained to be alert for suspicious activity and report it. Management need a process whereby reported suspicious matters are documented and reported to AUSTRAC.

All suspicious activity is required to be reported to the Club's AML/CTF Compliance Officer immediately. In the event a gaming attendant or staff member becomes apprehensive about a customer, transaction or attempted transaction the following procedure will be used to escalate it to the AML/CTF Compliance Officer for their investigation:

1. The staff member immediately advises the Supervisor

2. The Supervisor immediately prepares an incident report, with the assistance of the staff member involved
3. The Supervisor immediately forwards the incident report to the AML/CTF Compliance Officer for their investigation

Staff members are also able to report suspicious behaviour directly to the AML/CTF Compliance Officer.

The AML/CTF Compliance Officer should, as part of any investigation relating to a possible suspicious matter, consider whether conducting ECDD is appropriate.

Reports of suspicious matters involving gaming machines must be made by the Club to AUSTRAC using the *Suspicious Matter Report* form, within the required period of time.

An example of the Suspicious Matter escalation procedures is located at **Appendix H**.

Note that there is no requirement to undertake disciplinary action against customers suspected of money laundering. In fact the law requires clubs to refrain from “tipping off” customers suspected of money laundering. The Club must not inform the customer that an SMR has been lodged.

16.9. Reporting deadlines

Where it is suspected that the matter relates to terrorism financing, AUSTRAC must be notified within 24 hours of suspicion being formed.

Where it is suspected that the matter relates to money laundering, AUSTRAC must be notified within 3 business days of suspicion being formed.

17. Large Payouts

17.1. Payouts of \$10,000 or more

Individual gaming machine payouts for \$10,000 or more require the identity of the customer to be verified, recorded and retained. The verification process requires reliable documentation. Because the self-assessed risk is very low, low or medium, then a “documentation based safe harbour” will be used.

The Club will complete a Know Your Customer Record for all gaming machine payouts of \$10,000 or more. In the event that a customer has a number of individual gaming machine tickets to be cashed, none of the tickets are for \$10,000 or more, but the total of the tickets is \$10,000, then a Know Your Customer Record is not required to be completed.

All completed Know Your Customer Records will be forwarded to the Gaming Department whose staff will check that identification is valid, update membership records with any new or changed information and sign the “Office Use Only” section of the form.

CASE STUDY

Denise spends a day in the gaming area and accumulates 7 tickets during the course of her day for \$1700, \$1000, \$1800, \$1500, \$1900, \$1500, 1600. The total value of tickets she cashes before leaving the Club is \$10,200.

The Club does not need to complete a *Know Your Customer* Record, because none of the individual amounts is of \$10,000 or more.

However, this sort of behaviour may be deemed to be suspicious and as such may warrant a *Suspicious Matter Report* to AUSTRAC. If this is the case, the matter should be escalated as per the Suspicious Matter procedure.

17.2. Assessment of customers receiving payouts of \$10,000 or more

As soon as practicable after the payout is made the Club will also give consideration as to whether any patron receiving a payout of \$10,000 or more is a PEP and retain evidence to substantiate that this consideration has been made.

In the event that a patron receiving a payout of \$10,000 or more is identified as a possible PEP, the customer will be subjected to the Club's PEP and ECDD procedures.

In the event that the Club has reason to believe that the customer may be a known criminal or an Australian issued identification document is not provided, the customer will be subjected to the Club's ECDD procedures.

The Enhanced Customer Due Diligence Form will be completed will be completed as soon as practicable after the payout to substantiate the above procedure was followed.

17.3. Threshold transactions

A Threshold Transaction means a transaction involving the transfer of physical currency (i.e. cash), where the total amount of physical currency transferred is \$10,000 or more (*AML/CTF Act s. 5*).

Gaming Machines Regulation 2019 (NSW) cl. 26(1) prohibits clubs from processing gaming machine payouts of more than \$5,000 in cash.

Accordingly, the Club will never be required to submit a *Threshold Transaction Report*.

The Large Payouts Flowchart is located at **Appendix I**.

18. Independent Review

The legislation requires a periodic independent review of Part A of the Club's AML/CTF program. The Club shall appoint an internal or external reviewer.

It is the Club's policy that a review will be undertaken of Part A of the Club's AML/CTF program by an independent reviewer at least every two years.

Where the independent review recommends change the Club will respond to the recommendations within the specified time period. Where there is no specified time period, the Club will endeavour to address all matters raised within 3 months of receipt.

18.1. Person appointed to be independent reviewer

The person (as per *AML/CTF Act s. 5*) appointed by the Club to conduct independent reviews of the Club's AML/CTF program is Legal Review Pty Ltd.

18.2. Independence of the reviewer

Legal Review Pty Ltd is a law firm which engages qualified lawyers to conduct AML/CTF independent reviews. All lawyers engaged by this firm are subject to the legal and ethical requirements that apply to lawyers, including pursuant to the Legal Profession Uniform Law.

Legal Review Pty Ltd is sufficiently independent to conduct the Club's independent review as it has had no involvement in the design, implementation or maintenance of Part A of the Club's AML/CTF program or the development of the Club's risk assessment or related internal controls.

19. Record Keeping

Pursuant to *AML/CTF Act ss. 104-108, 111-113 & 116*, and the AML/CTF Rules, the following record keeping requirements apply:

- The AML/CTF Rules provide that the Club must make a record of a designated service and retain that record for at least 7 years.
- If a customer provides a document relating to the provision of a designated service, the Club must retain the original document or a soft copy of the document for at least 7 years.
- The Club must retain a record of an applicable customer identification procedure for 7 years.
- The Club must retain a copy of its AML/CTF program for 7 years after the day upon which the adoption ceases to be in force.

Records to be kept include all AML/CTF documents, gaming machine payouts where the customer has been identified, membership application forms, photographs of members and visitors, *Suspicious Matter Reports*, *Threshold Transaction Reports*, KYC records and superseded AML/CTF program manuals.

The Club may retain a soft copy of the above records or extract of those records (e.g. membership information on its computer database, rather than the original membership application form).

19.1. Procedure

AML/CTF Act s. 107 requires either the original record or a copy of the record or an extract from the record showing the prescribed information to be retained for 7 years after the relevant date. This means that computer records are sufficient. Privacy principles apply to the creation of records of customer personal information, and their use and storage.

20. Confidentiality

When the Club is investigating a possible suspicious matter or making a *Suspicious Matter Report*, it must not inform the individual who is the subject of the investigation or report. It is a crime to disclose to anyone outside the organisation that a suspicion has been formed or that information has been communicated to AUSTRAC.

21. **Privacy Issues**

The Club is aware of its obligations under the Privacy Act 1988 (Cth). Under Australian Privacy Principle 12 (formerly National Privacy Principle 6), customers may normally request access to personal information the Club has collected about them. This may include records relating to self-exclusion or gaming-related incidents involving them.

However, in relation to Suspicious Matter Reports, Australian Privacy Principle 12.3(i) prohibits giving access when it would be likely to prejudice enforcement related activities conducted by, or on behalf of, an enforcement body. In other words, the Club must refuse a customer's request to provide a copy of Suspicious Matter Reports that have been produced for AUSTRAC.

22. **Legal Protection**

The law provides legal protection for the Club and its staff who are complying with their legal obligations under the AML/CTF legislation. The Club and staff cannot be prosecuted for making a report to AUSTRAC even if the information provided is incorrect. This is important when the AML/CTF Compliance Officer is considering making a *Suspicious Matter Report*.

23. **More Information**

- Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth): Available on www.austlii.edu.au
- AUSTRAC website: www.austrac.gov.au
 - Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No.1)
 - AUSTRAC Quick guide – Suspicious Matter Report (**Appendix W**)
 - AML/CTF Compliance Report – Gambling Services
 - AML/CTF Compliance Report Instruction Guide – Gambling Services
 - AUSTRAC Guidance Note – Risk Management and AML/CTF programs
 - Draft AUSTRAC Guidance Note – Ongoing customer due diligence
 - Draft AUSTRAC Guidance Note – AML/CTF Compliance Officers
 - Draft Guidance Note – Key terms used in 'politically exposed person' definition Policy (Additional Customer Due Diligence Requirements) Principles 2014

Appendix A – AML/CTF Compliance Officer & Nominated Contact Officer

The AML/CTF Compliance Officer for QSCC is:

Andrew Hunter (Venue Manager)

Phone: 02 6209 5523

Email: Andrew.Hunter@campbellandgeorge.com.au

In the case where the AML/CTF Compliance Officer is unavailable or on leave, the following nominated contact officer should be contacted immediately:

Barun Bista (Assistant Venue Manager)

Phone: 02 6209 5523

Email: Barun.Bista@campbellandgeorge.com.au

Appendix B – Risk Management Table

Item	Risk	Likelihood	Control procedures	Responses
1.	Abnormal play and credit redemption.	Low	Staff Training, Transaction Monitoring Program	Investigation, Enhanced Customer Due Diligence, Suspicious Matter Report
2.	Third party purchases of prize or payout entitlements where the actual winner is offered cash for the prize.	Low	Staff Training, Transaction Monitoring Program	Investigation, Enhanced Customer Due Diligence, Suspicious Matter Report
3.	Multi-terminal gaming machines (MTGMs) used to hedge bets or cover multiple winning combinations	Low	Staff Training, Transaction Monitoring Program	Investigation, Enhanced Customer Due Diligence, Suspicious Matter Report
4.	Use of false identification when collecting a payout, or joining or entering the Club	Low	Staff Training, customer identification procedures, legislative requirements	Investigation, Enhanced Customer Due Diligence, Suspicious Matter Report
5.	Requests for prize cheques to be issued to someone other than the person who won the prize	Low	Staff Training, prize payout procedures, identification procedures, legislative requirements	Investigation, Enhanced Customer Due Diligence, Suspicious Matter Report
6.	Refusal or hesitation to provide identification when required	Low	Staff Training, customer identification procedures, legislative requirements	Investigation, Enhanced Customer Due Diligence, Suspicious Matter Report
7.	Stolen or counterfeit money inserted into machines or paid to cashier	Low	Staff Training, gaming machine note acceptors	Investigation, Enhanced Customer Due Diligence, Suspicious Matter Report
8.	Counterfeit and modified gaming payout cheques	Low	Staff Training, Transaction Monitoring, Program, bank reconciliations of gaming payout account	Investigation, Enhanced Customer Due Diligence, Suspicious Matter Report
9.	Requests to exchange denominations of large amounts of cash	Low	Staff Training	Investigation, Enhanced Customer Due Diligence, Suspicious Matter Report
10.	Multiple cheque payments to a single customer over a short period of time	Low	Staff Training, Transaction Monitoring Program	Investigation, Enhanced Customer Due Diligence, Suspicious Matter Report
11.	Structured gaming machine ticket redemptions under the \$5,000 threshold for documented proof of identity	Low	Staff Training, Transaction Monitoring Program	Investigation, Enhanced Customer Due Diligence, Suspicious Matter

Item	Risk	Likelihood	Control procedures	Responses
	of the claimant			Report
12.	Cash payouts of \$10,000 or more.	Very Low	Legislative requirements, Independent Review	Threshold Transaction Report
13.	Collusion between staff and money launderers to evade controls	Low	Employee Due Diligence, Staff Training	Investigation, Enhanced Customer Due Diligence, Suspicious Matter Report
14.	Staff not reporting money laundering or terrorism financing activity.	Low	Employee Due Diligence, Staff Training	Investigation, Suspicious Matter Report, Staff Disciplinary Procedures
15.	Staff tipping off customers in relation possible money laundering or terrorism financing activity.	Low	Employee Due Diligence, Staff Training	Investigation, Suspicious Matter Report, Staff Disciplinary Procedures
16.	Politically Exposed Persons	Very Low	Staff Training, customer identification procedures, PEP procedures, Enhanced Customer Due Diligence	Enhanced Customer Due Diligence, Investigation
17.	Customers who are known criminals	Low	Staff Training, customer identification procedures, Enhanced Customer Due Diligence	Enhanced Customer Due Diligence, Investigation, Suspicious Matter Report
18.	Customers from a foreign jurisdiction receiving large payouts	Very Low	Large payout procedures, customer identification procedures, ECDD form	Enhanced Customer Due Diligence, Investigation, Suspicious Matter Report

Appendix C – Risk Assessment Table

Type	Details	Responses	Level assessed
Gaming machines	Gaming machine entitlements at QSCC: 54 Annual Gaming Machine Revenue Band for QSCC: less than \$2 million	Regular review of systems and controls to mitigate ML/TF risks, Transaction Monitoring Program, Security & Surveillance	Very Low
Multi-terminal gaming machines	Multi terminal gaming machines (MTGMs) at QSCC: 3 Ratio of MTGMs to total number of gaming machines at QSCC is 3 : 54 = 5.6%. All payouts from MTGMs must comply with the requirements relating to payouts under the <u>Gaming Machines Regulation 2019 (NSW)</u> (outlined below). Note: MTGM numbers are included in the overall numbers of gaming machines at QSCC.	Regular review of systems and controls to mitigate ML/TF risks, Transaction Monitoring Program, legislative controls, Security & Surveillance	Very Low
Customer types	QSCC's customer types is generally reflective of the residential demographic within the Club's LGA. Residential demographical information for the Queanbeyan-Palerang LGA (as per the 2016 census) is as follows: <ul style="list-style-type: none"> Country of Birth: Australia 75.0 %, England 3.0%, India 1.5%, New Zealand 1.4%, The former Yugoslav Republic of Macedonia 0.9% and Philippines 0.8%. Median age: 38 years. Main areas of employment: professionals 20.0%, clerical & administrative workers 18.3%, managers 16.1%, technicians & trades workers 13.3%, and community & personal service workers 10.3% Median weekly individual income: above the Australian median income. <p>QSCC only provides designated services to individuals. <u>Gaming Machines Regulation 2019 (NSW) cl. 26(1)(a)</u> requires that a prize cheque be made payable to the person who received the payout. In the event that an agent of a company, trust, partnership, association, co-operative or government body accesses a designated service within QSCC, that agent would be treated as an individual.</p>	Enhanced Customer Due Diligence, following requirements of Registered Clubs Act, Security & Surveillance Update risk assessment when amalgamating with another club or when moving venue location PEP procedures	Low

Type	Details	Responses	Level assessed
	In order to utilise designated services at QSCC, a customer must satisfy the Club's entry requirements by being a member, guest of a member, temporary member or visitor. The Club is required to identify, and maintain a register of, all members prior to joining, as per the requirements of <u>Registered Clubs Act (NSW) s. 31</u> . The Club is required to identify and have all guests of a member, temporary members or visitors sign in to the Club, as per the requirements of <u>Registered Clubs Act (NSW) s. 30</u> .		
Cash payouts	<p>QSCC processes cash payouts using the following methods:</p> <ul style="list-style-type: none"> • cash released directly by a gaming machine; • issue of a handwritten payout voucher processed by a gaming machine attendant; and • issue of a gaming machine ticket automatically generated by a gaming machine. <p><u>Gaming Machines Regulation 2019 (NSW) cl. 26(1)</u> requires that the balance from any payout of more than \$5,000 be paid by crossed-cheque to the individual who received the payout.</p> <p><u>Gaming Machines Regulation 2019 (NSW) cl. 12</u> requires that for all handwritten payouts the name and signature of the patron be documented on the payout voucher.</p> <p><u>Gaming Machines Regulation 2019 (NSW) cl. 107</u> requires that for any gaming machine ticket which is for the value of \$5,000 or more, or is redeemed 2 or more days after issue, a record must be created containing the patron's name, address, signature and identification type & number.</p> <p>Cash redemption terminals (CRTs) provided at QSCC: 2</p> <p>Due to the requirements of <u>Gaming Machines Regulation 2019 (NSW) cl. 107</u> CRTs can only process payouts for tickets of \$5,000 or less in value.</p>	Transaction Monitoring Program, legislative controls, prize payout procedures, customer identification procedures and staff training	Low
Ticket technology	<p>Ticket-in (TI) and ticket-out (TO) (as per the requirements of <u>Gaming Machines Regulation 2019 (NSW) cls. 100-110</u>) is provided at QSCC.</p> <p>TI/TO allows patrons to easily transfer gaming machine credits to another machine, however when the patron wishes to receive a payout it must be done in accordance with the payout requirements of the <u>Gaming Machines Regulation 2019 (NSW)</u> (outlined above).</p>	Staff training, customer identification procedures, legislative controls, prize payout procedures	Low
Player accounts	QSCC does not provide cashless gaming machine (stored value/smart cards) facilities.	N/A	Very Low

Type	Details	Responses	Level assessed
Loyalty program	<p>QSCC provides a non-tiered tiered loyalty program. In order to participate in the loyalty program the customer must be a member of the Club.</p> <p>In relation to gaming machines (including MTGMs) points are accrued based on the amount of money turned over whilst a membership card is inserted.</p> <p>Points cannot simply be earned by inserting money into a gaming machine.</p> <p>The Club does not necessarily consider that there is a correlation between the amount of points accrued by a member and their ML/TF risk. Members who are earning a large amount of points would have had to turn over a larger amount of money within the specified period, compared to members who are earning fewer points. Large amounts of money being turned over in a gaming machine is not normally an indicator of ML/TF behaviour.</p> <p><u>Gaming Machines Act 2001 s. 45(1)</u> prohibits loyalty points from being exchanged for cash.</p> <p><u>Gaming Machines Act 2001 s. 45(2)</u> prohibits the Club from allowing a member to redeem their points for a prize valued more than \$1,000.</p> <p>As points cannot be converted to or from cash, and are earned based on turnover (rather than cash in) the Club's loyalty program cannot be directly used for ML/TF activities.</p>	Staff training, legislative controls, customer identification procedures, ratio of money turned over to earn points	Very Low
Types of service delivery	Only face to face gambling on QSCC's designated services is allowed. The Club does not permit gambling by telephone, mail, facsimile or internet.	Staff training and legislative controls	Low
Foreign jurisdiction operations	QSCC does not operate designated services in any foreign jurisdictions.	N/A	Very Low
Foreign currency exchange	QSCC does not offer a currency exchange service.	N/A	Very Low

Overall assessment of ML/TF risk for QSCC Very Low to Low.

Appendix D – Know Your Customer (KYC) Record



KNOW YOUR CUSTOMERS FORM

Date _____

Surname _____

First Name _____

Date of Birth _____

Residential Address _____

Drivers License # _____

Expiry Date _____

Other Identification _____

Document # _____

Expiry Date _____

Machine House # _____

Machine Serial # _____

Transaction # _____

Cash Payment \$ _____

EFT Payment \$ _____

Total Amount of
EGM Payout \$ _____

Customer's Signature _____

Staff Member's Name _____

Staff Member's
Signature _____

Photocopy: Membership Card ☐

Photocopy: Drivers License / Passport ☐

All Items Attached ☐

Appendix E – Identification Documents

Primary Photographic Identification Document

- Driver licence (Australian or foreign);
- Proof of age card (Australian or foreign);
- Passport or a similar document issued for the purpose of international travel (Australian or foreign);
- National identity card issued for the purpose of identification (Australian or foreign);
- Australia Post Keypass ID.

Primary Non-Photographic Identification Document

- Birth certificate (Australian or foreign);
- Citizenship certificate (Australian or foreign);
- Concession card issued by Centrelink.

Secondary Identification Document (Australian only)

- Government financial benefits notice (issued within the preceding 12 months);
- Australian Tax Office notice (issued within the preceding 12 months);
- Local government or utilities bill (issued within the preceding 3 months).

Notes:

1. Primary photographic documents used to identify an individual must include a photograph of the individual.
2. Australian issued digital primary photographic identification documents can be accepted. The digital identification document must be accessed directly through the issuing authority's App (as an example, see **Appendix Y** for information on verifying a NSW digital driver licence).
3. Expired primary identification documents should not be accepted, other than:
 - a) an Australian passport that expired within the previous 2 years; or
 - b) an Australian issued driver licence expired within the previous month, accompanied by an interim licence renewal receipt issued by an Australian driver licensing authority.
4. Foreign documents not written in English must be accompanied by an English translation prepared by an accredited translator.
5. This is not an exhaustive definition. A reporting entity may rely upon other documents not listed above as reliable and independent documents, where that is appropriate having regard to ML/TF risk.

Photocopied Documents

If a photocopied document is produced, it must be certified by a qualified person (generally a Justice of the Peace). Copies are certified by using the wording "CERTIFIED TRUE COPY", and the qualified person must sign, date and print their name and profession or qualification on the copy.

Identifying customers who don't have conventional forms of identification

Staff should seek guidance from the AML/CTF Compliance Officer if a customer does not have a conventional form of identification document.

This might be the case for Aboriginal and Torres Strait Islander customers who live in remote areas, customers who are affected by a natural disaster such as bushfires, transgender customers, people with limited access to identity documents (such as those who are experiencing or have experienced family and domestic violence, people experiencing homelessness or with an address inconsistent with their identity documents), or customers who have come to Australia as refugees.

AML/CTF Rules Part 4.15 allows the Club to take a flexible approach to identifying and verifying customers, where there are extenuating circumstances, such as those listed above. For example, the Club may accept several types of secondary documents to establish the customer's identity instead of a primary identification document or make other enquiries.

Appendix F – Enhanced Customer Due Diligence (ECDD) Form**Customer Details***(where available or able to be obtained without tipping off customer)*Full name: _____
(including middle name/s)

Alias/es: _____ Date of birth: _____

Current address: _____

Previous address/es: _____

Country of citizenship: _____ Country of residence: _____

Occupation: _____ Employer: _____

Is there evidence of the use of false ID? <i>(If yes, attach a report of the incident/s)</i>	Y / N	Is there evidence the customer is a PEP? <i>(A person, or close relative of a person, entrusted with prominent public functions)</i>	Y / N
---	-------	---	-------

Are there any known criminal associations? <i>(If yes, attach a report providing more detail)</i>	Y / N	Have any KYC forms been completed? <i>(If yes, attach copies of completed forms)</i>	Y / N
--	-------	---	-------

Club Membership

Membership number (if applicable): _____ How long has the customer been a member? _____

Is there carded gaming machine activity? <i>(If yes, attach a report of recent activity)</i>	Y / N	Are there abnormalities in carded data? <i>(If yes, attach an analysis)</i>	Y / N
---	-------	--	-------

Further Information

Reason/s for conducting ECDD

Did you discuss this customer with any other staff member/s as part of the ECDD procedure?

(If yes provide details of the staff and the discussions)

Did you conduct a Google, Facebook, Linked In or any other online search in relation to this customer? <i>(Attach search details, screenshots and any other information gathered which may indicate ML/TF activity)</i>	Y / N
--	-------

Did you identify any matter that may give rise to a suspicious matter reporting obligation? <i>(If yes attach details)</i>	Y / N
---	-------

Risk Assessment

Is this customer deemed a high ML/TF risk? <i>(PEPs are always deemed high risk)</i>	Y / N	Has the AML/CTF Compliance Officer approved the Club's ongoing relationship with the customer?	Y / N
---	-------	---	-------

Details of Staff Member Completing Form

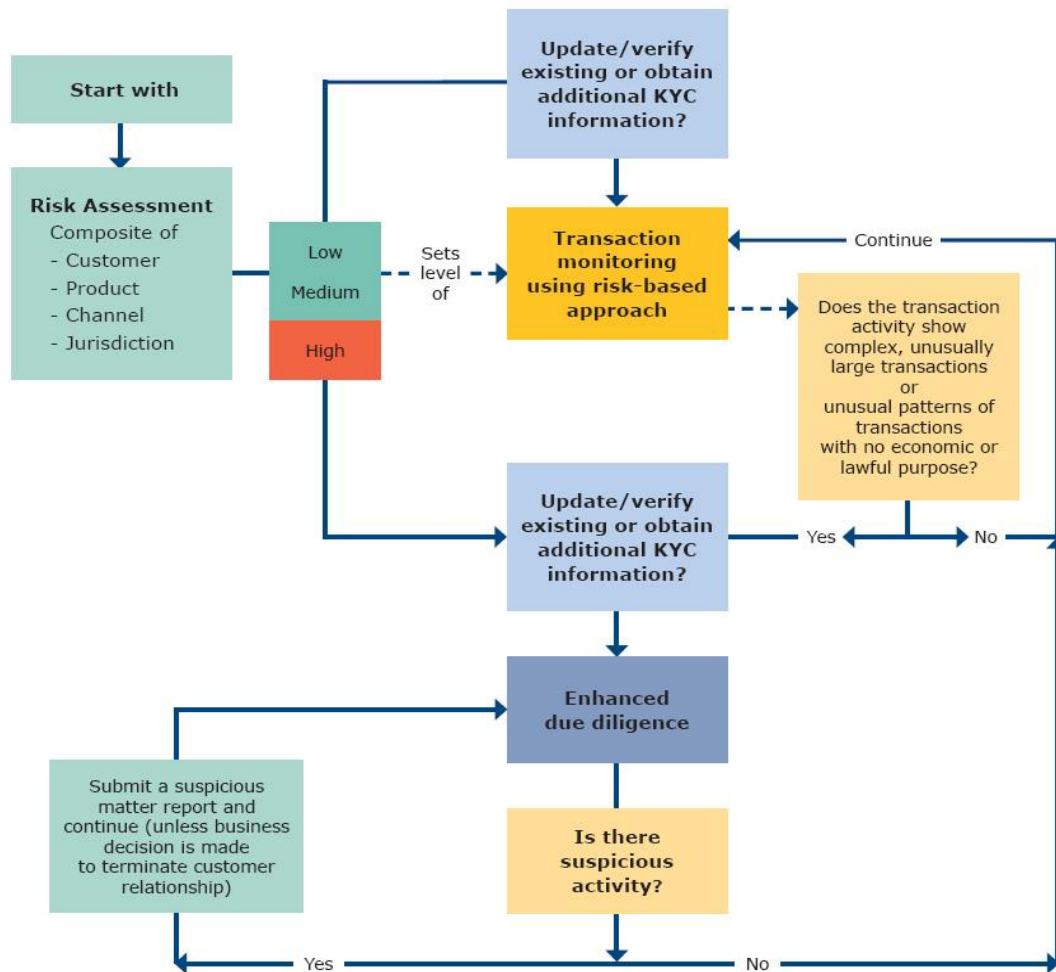
Name: _____ Position: _____

Signature: _____ Date: _____

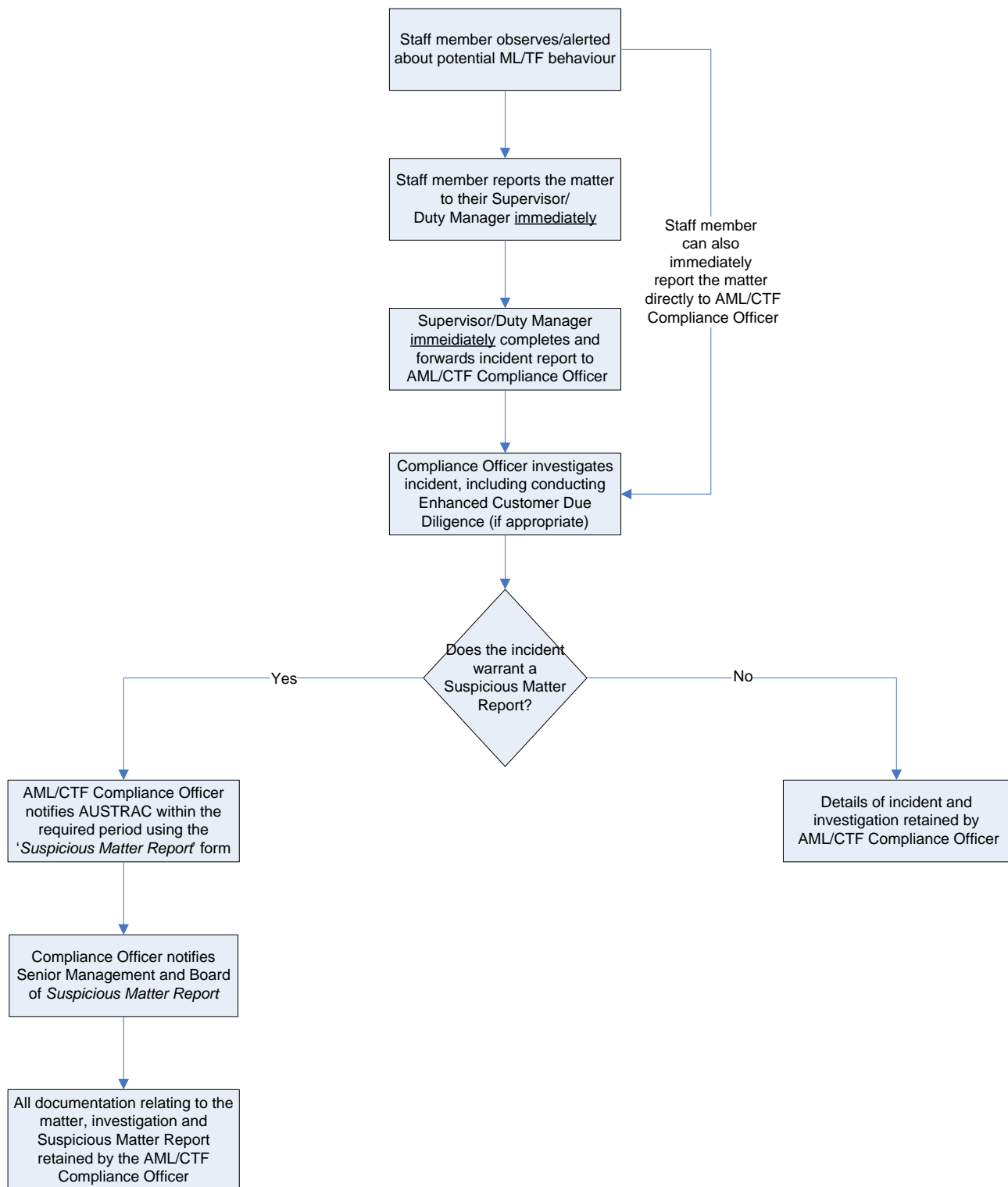
This form must be reviewed and signed off by the AML/CTF Compliance Officer

Appendix G – AUSTRAC Ongoing Customer Due Diligence Flowchart

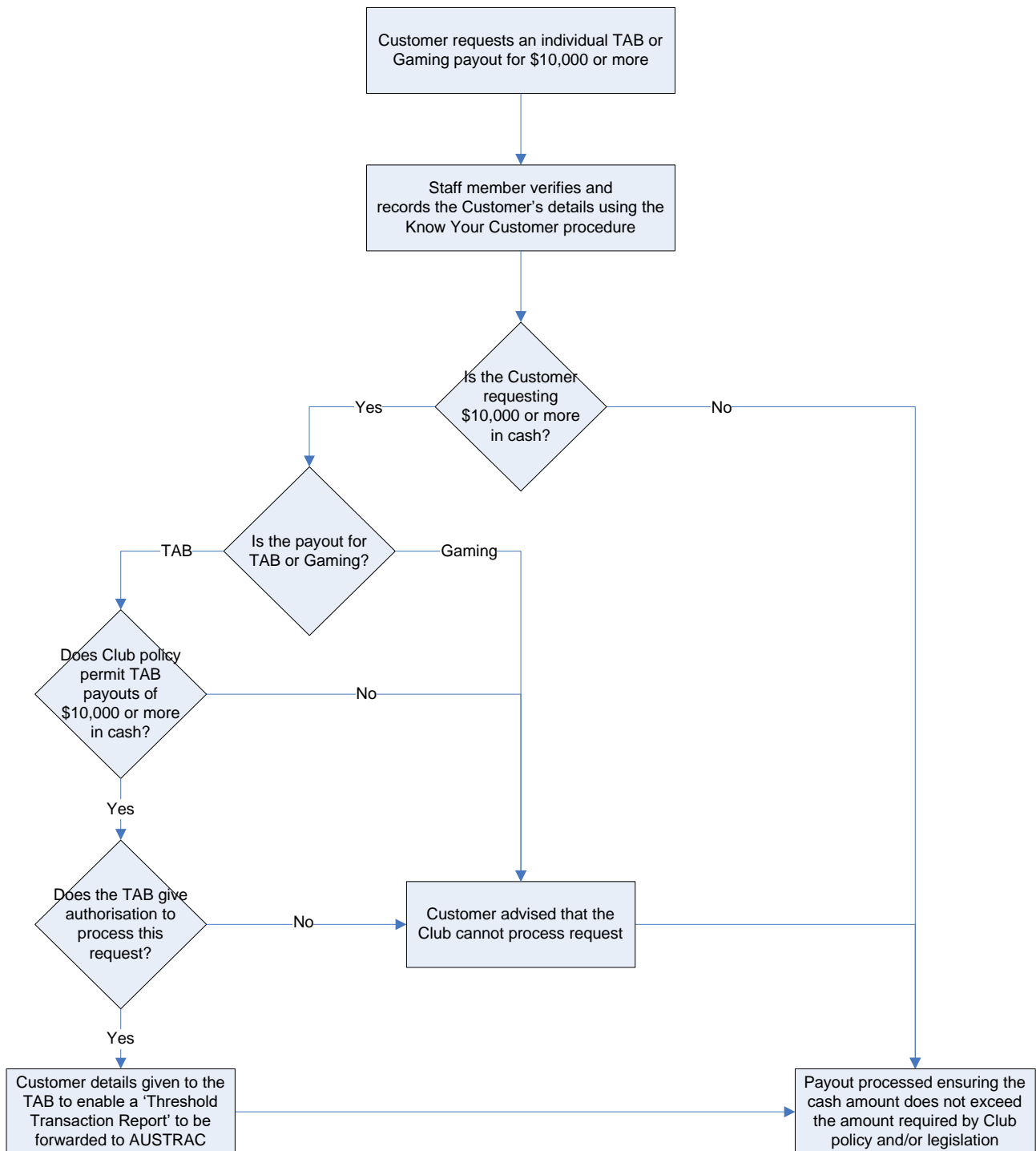
Ongoing customer due diligence



Appendix H – Suspicious Matter Flowchart



Appendix I – Large Payouts Flowchart



Appendix J – Transaction Monitoring Program (TMP) Checklist

This checklist relates to the period _____ to _____

Were daily reconciliations of all gaming machines conducted for this period, checking for any variation of money cleared from the machine compared to the meter readings? Y / N

Was there anything unusual detected which may indicate possible ML/TF behaviour? Y / N

1. _____
2. _____
3. _____

Was weekly and monthly cash flow analysis of all gaming machines conducted for this period? Y / N

Was there anything unusual detected which may indicate possible ML/TF behaviour? Y / N

1. _____
2. _____
3. _____

Was analysis of the cheque payout register (all payouts exceeding \$5,000) conducted for this period, checking for any repeated payouts for individuals which may constitute a suspicious matter? Y / N

Was there anything unusual detected which may indicate possible ML/TF behaviour? Y / N

1. _____
2. _____
3. _____
4. _____

Was Enhanced Customer Due Diligence (ECDD) conducted in relation to any patrons flagged? Y / N

1. _____
2. _____
3. _____
4. _____

Were any patrons reported to AUSTRAC as part of a Susicious Matter Report (SMR)? Y / N

1. _____
2. _____
3. _____
4. _____

Comments:

Conducted by: _____ Date: _____

Appendix K – Employee Due Diligence Policy

The Club is required to have an Employee Due Diligence (**EDD**) Policy in place as part of the Club's AML/CTF program. The EDD Policy is designed to minimise the risk of employing or promoting staff who may not comply with the AML/CTF requirements or may assist ML/TF activities.

EDD means conducting ML/TF risk assessments for new and existing employees.

Elements of the Club's EDD Policy are:

1. 2 x Telephone reference checks are always carried out when employing staff.
2. If the applicant provides a reference for an organization that would have a landline phone number (e.g. another club), the reference checker will phone the referee on the landline number and ask for the person employed in the role stated on the reference. If the referee is someone like a builder, then the reference checker will call the mobile number of that person.
3. Internal verbal reference checks are obtained from an employee's supervisor and/or manager before transferring or promoting staff, where appropriate.
4. Staff are not to be employed into positions of financial responsibility (i.e. change desk, gaming supervisor, Supervisor or senior management) unless:
 - (a) they have worked for the club for at least 3 months and have a clear internal reference; or
 - (b) they have a clear reference from another gaming organization such as a club or casino where they have had worked for at least 3 months in a similar role; or
 - (c) they have cleared a police probity check.
5. New and promoted staff are made aware of their obligations under the AML/CTF legislation.
6. All new staff must undergo orientation. The Club's AML/CTF policy is contained in the Club's Staff Handbook. At the conclusion of the orientation, the employee must sign the Employee Declaration form to accept that they have read and understood the policies and procedures contained in the handbook.

Any employee who fails, without reasonable excuse, to comply with the club's AML/CTF program requirements shall be subject to the Club's standard disciplinary procedures.

Appendix L – AML/CTF Training Policy

New Employees

All staff receive the induction training and staff handbook on the commencement of their employment.

All staff are required to read the Club's AML/CTF policy and sign the sign-off sheet to confirm they have read and understood the policy.

Refresher Training

All gaming staff are required to complete either a BetSafe face-to-face training course, containing an AML/CTF component, or the relevant BetSafe online AML/CTF training course, at least every 3 years.

Additional AML/CTF training will be provided in the following circumstances:

- there is a significant change to the Club's ML/TF risk level;
- new legislation is introduced which requires staff members to be made aware of to ensure AML/CTF obligations are met;
- an incident occurs that indicates a need for further or updated training is required;
- a recommendation is received as part of the independent review; and
- guidance is provided by AUSTRAC requiring additional training of staff.

Assessment of Effectiveness

Assessment questions relating to AML/CTF are included in the online courses, which participants are required to successfully answer in order to be certified for these courses.

Face-to-face training courses do not generally contain a formal assessment process, however the trainer will promote participation and interaction with the attendee/s. Opportunity is also given to training attendee/s to allow them ask questions relating to content material.

Board of Directors

The AML/CTF legislation requires the Club's Board to approve the Club's AML/CTF program whenever it is updated or amended. A full copy of the program manual is provided to, or accessible by, each Board members as part of the approval process. When approving any updates or amendments Board members are expected to read and understand the contents of the manual. The Club's AML/CTF Compliance Officer is available to answer any Board queries.

Staff Promotion

Where a staff member has been promoted to a role that requires further AML/CTF training, such as a Supervisor, AML/CTF training will be provided prior to commencement of that role.

Training Records

The Club's will retain a record of staff AML/CTF training, including:

- the date upon which each staff member receives initial AML/CTF training
- the dates upon which each staff member receives refresher AML/CTF training
- who delivered the training
- sign off/acknowledgement forms

TAB Training

TAB agents and operators are required to satisfactorily complete the TABCORP Wagering Accreditation Program which includes a component on AML/CTF responsibilities and obligations before staff are directly engaged in TAB duties.

Further Information

Further information relating to the content and delivery method of the Club's specific AML/CTF training is provided as follows:

- AML/CTF Policy (**Appendix N**)
- BetSafe Online AML/CTF Training for General Staff (**Appendix O**)
- BetSafe Online AML/CTF Training for Duty Managers (**Appendix P**)
- BetSafe Face to Face Training Slides (**Appendix Q**)

Appendix M – Training Sign-Off Sheet

QSCC AML/CTF POLICY STAFF SIGN-OFF SHEET

I _____ [name] have read and understand the QSCC AML/CTF policy.

I acknowledge that failure to comply with the Policy and AML/CTF Act may result disciplinary action (including termination of my employment) and/or prosecution (including a personal fine of up to \$4.2 million and/or jail).

Staff Signature: _____

Manager Signature: _____

Date: _____

Appendix N – AML/CTF Policy

Under the AML/CTF Act, the Club is required to have a program to identify, reduce and manage the money laundering and terrorism financing risk which may be faced through the provision gambling services.

1. What is the AML/CTF Act?

- The Anti-Money Laundering and Counter Terrorism Financing Act is a Federal law that requires clubs, hotels, casinos and TABs to make reports about large cash transactions or suspect transactions.
- Money laundering is the process whereby criminals attempt to hide and disguise the true origin and ownership of the proceeds of their criminal activities, thereby avoiding prosecution, conviction and confiscation of the criminal funds
- Terrorism Financing is the act of providing financial support to terrorists or terrorist organisations to enable them to carry out terrorist acts
- AUSTRAC (Australian Transaction Reports and Analysis Centre) is the government agency that receives reports of large and suspicious financial transactions
- The AML/CTF law requires the Club to:
 - Develop and maintain a documented AML/CTF program
 - Ensure customers gambling at the club are properly identified (Ongoing Customer Due Diligence & Know Your Customer)
 - Monitor customers who may be considered higher risk of laundering money or financing terrorism
 - Monitor transactions to detect potential money laundering or terrorism financing behaviour (Transaction Monitoring Program)
 - Identify, mitigate and manage money laundering or terrorism financing risks (Risk Assessment)
 - Ensure staff receive sufficient training in relation to their responsibilities and obligations

2. Why do people launder money?

- Money Laundering is the process that criminals use to hide the profits they make from illegal activities
- Illegal drug dealing, arms smuggling and other criminal activities related to organised crime can generate huge profits
- The goal of these criminals is to conceal the profit they make out the illegal activity behind a legal front
- Money laundering allows criminals to keep their ill-gotten profits and encourages further crime
- Money laundering is often linked to the illegal drug trade
- Money laundering may also be used by people smugglers, illegal prostitution rackets and corporate criminals
- It is estimated that \$AUD 4.5 billion dollars is involved with money laundering each year

3. Penalties for non-compliance

- Severe penalties apply for failure to comply with the AML/CTF requirements.
- The Club can be fined up to \$21 million for failing to comply with its AML/CTF obligations
- Individuals can be fined up to \$4.2 million or sent to prison.
- Non-compliance includes tipping off someone that they are being investigated for suspect activities.

4. What should I be on the lookout for?

Hedging bets on a gaming machine

A patron inserts a large amount of money into a gaming machine, turns over a small amount of money (or no money) and then collects the payout requesting a cheque.

Purchasing gaming machine credits or tickets

A patron walks around the gaming area looking for other patrons who have large wins. The patron approaches the other patrons and offers to buy their credits or tickets. They may even pay more money than what the credits or tickets are worth.

Hedging bets on a roulette machine

A patron bets both red and black on the same game of roulette. By doing this they are hedging their bets as they will win most of their money back 97% of the time.

Variations of this include two patrons colluding with one betting red and the other betting black on separate terminals. A customer may also bet on every number rather than betting on red and black.

Multiple cheques over a short period of time

A patron may receive a number of cheques over a short period of time. Although you may not notice anything suspicious about their behaviour in order to receive the payouts, the fact that they received multiple cheques in a short time can be unusual.

Hiding identity

A patron may use a false name to pretend to get payout in someone else's name or hide who is gambling the money.

In order to do this a visitor may provide false identification to enter the Club or someone may join the Club as a member in someone else's name.

Avoiding being identified

A patron may avoid being identified by ensuring that their payout amount will be below \$5,000. To do this they may deliberately play down their credits to just under \$5,000, or tell you that they did this as they didn't wish to be identified.

Requesting a payout be made out to someone else

A patron may request that a payout be made out to another person. Although you are unable to do this, the request made by the patron is suspicious and needs to be reported.

Counterfeit and stolen money

A patron requests to exchange a large bundle of money from one denomination to another (e.g. \$50 to \$100 notes). If this occurs, make sure you count out each individual note ensuring ALL notes are genuine.

Another indication may be if a gaming machine did not accept a particular note - pay close attention as it may be fake. Gaming machine and CRT note acceptors should always detect counterfeit notes.

Counterfeit and modified gaming payout cheques

A patron inserts \$5,030 in a gaming machine. The patron plays \$5 and collects a ticket to the value of \$5,025. The patron redeems the payout collecting \$5,000 in cash and the remaining \$25 in cheque. The cheque is later modified to change the value to \$25,000 and banked. The modified cheque may not be detected by the Club until a bank reconciliation is carried out.

Both the initial behaviour to obtain the cheque and the actions carried out to modify the cheque are suspicious.

Proceeds of crime

A patron inserts a large number of banknotes into a gaming machine, followed by minimal play. The patron then collects a ticket from the gaming machine and redeems it at a CRT or cashier. The

patron then leaves the venue. Another scenario may involve a patron approaching the cashier and requesting to exchange a large number of banknotes from one denomination to another. The patron then leaves the venue without playing a gaming machine.

Collusion between staff and money launderers

A corrupt staff member may alert the money launderer to significant payout situations and facilitate the introduction of the prize-winner and the money launderer. Staff may also be involved in other ways with money launderers.

NDIS sourced funds for cash withdrawals or gambling

A person who has fraudulently obtained National Disability Insurance Scheme (NDIS) funds gambles these funds as a way of hiding their origin or destination. This person may be a person personally receiving NDIS funding or work for a provider of NDIS services.

Other suspicious activities

It is best to report activities that make you feel uncomfortable, no matter what they are. Suspicious activities don't just involve money or gambling. For example, a staff member reported a customer who wanted to know about the exact opening and closing times of the club and who was at work at that time.

5. *What do I do if I see something suspicious?*

- It is important that we report suspicious activity to management as soon as possible after we become aware of it.
- Try to identify the customer or customers involved in the suspicious activity.
- Details are important – what was said, what was done, when and where.
- Don't alert the individuals to your suspicions.
- It can be helpful to write down the details – an Incident Report will probably be needed.
 - Your Supervisor will make a report to the Club's AML/CTF Compliance Officer.
 - The Compliance Officer may make further investigations.
 - The Club may make a report about the suspicious activity to AUSTRAC.
 - AUSTRAC will use the information provided to identify money laundering and terrorism financing activities and make Australia a safer place.

6. *Large Payouts*

- Anyone who receives a payout of \$10,000 or more needs to be identified and have their details documented.
- The 'Know Your Customer' form must be correctly completed in relation to every payout of \$10,000 or more.
- The Club is required to retain all completed 'Know Your Customer' forms for seven (7) years.

7. *High Risk Customers*

What is a PEP and why are they important?

- Politically Exposed Persons (PEPs) are people who:
 - hold a prominent public position or function in a government body or an international organisation; or
 - are immediate family members or close associates of an individual who holds a prominent public position or function in a government body or an international organisation.
- PEPs are at risk of being corrupted or illegally obtain money through their position which may in turn be laundered to hide its origins.
- PEPs are deemed to be a higher risk of laundering money compared to the average person.
- The Club needs to individually assess the risk of each PEP who is a customer and decide whether to allow them continuing gambling at the Club.

- Whilst the majority of PEPs are honest persons, not involved in money laundering or terrorism financing, it is important that the Club is aware of any possible PEPs, to assess their risk.

How to do I know which customers are PEPs?

- It is important that you firstly understand what a PEP is and remain vigilant.
- You may suspect a customer is a PEP based on:
 - conversations with the customer;
 - their occupation provided when joining or re-joining;
 - other customers who attend the Club with known PEPs;
 - information you may become aware of in media reports;
 - information provided by other customers; or
 - name tags or identification which is sighted
- Alert your Supervisor immediately to any suspected PEPs.
- If you are not sure whether a customer is a PEP, report it to your Supervisor to be sure.
- In line with normal AML/CTF procedure, do not tip the customer off about your suspicions.

Other high risk customers

- The following are examples of other customers that are of a higher risk of laundering money:
 - known criminals;
 - customers who have previously been convicted of fraud, theft or other similar offences;
 - outlaw motorcycle gang members;
 - customers who have previously found to be laundering money at the Club; or
 - customers from other countries that may seek to launder money in or out of that country (e.g. patrons using foreign identification when receiving large payouts).
- Alert your Supervisor immediately to any suspected high risk customers.
- In line with normal AML/CTF procedure, do not tip the customer off about your suspicions.

Appendix O – BetSafe Online AML/CTF Training for General Staff

Section 1. Introduction

1.1. Welcome to the BetSafe eLearning AML/CTF Course

This course is split up into 4 sections:

1. Introduction to AML/CTF
2. Suspicious Matters
3. Large Payouts
4. High Risk Customers

At the end of each section there are a number of multiple choice questions. In order to continue to the next section you are required to answer the questions correctly. If you provide an incorrect answer you will be able to go back and answer the questions again.

Most slides in this course have a minimum viewing time of 30 seconds - this means that you must read all the content and wait at least 30 seconds before proceeding to the next slide - this is to ensure that you read all content. The slides with videos have a longer viewing time - you must view the entire video before proceeding to the next slide.

We keep track of the number of incorrect answers and the time you have spent completing the course. Where it is suspected that you have not made a genuine attempt to complete the course or view all of the content, you may be required to re-do this course or attend further training.

1.2. Introduction to the AML/CTF Act

{Video}

1.3. Who is AUSTRAC?

The Australian Transaction Reports and Analysis Centre (AUSTRAC) is the federal government regulator, responsible for the administration of the AML/CTF Act.

The Club is required to provide regular reports to AUSTRAC, including:

- any instances of money laundering or terrorism financing at the Club; and
- annual compliance reports detailing what the Club is doing to comply with the relevant requirements.

Powers of AUSTRAC

AUSTRAC has the power to undertake assessments of the Club's AML/CTF program and:

- require the Club to make amendments to its AML/CTF program;
- require the Club to appoint an external auditor; or
- prosecute the Club (and individual staff) for any breaches of the AML/CTF Act.

Recent AUSTRAC Action

A number of companies which are subject to the AML/CTF Act have had significant penalties, and other measures, imposed on them by AUSTRAC in recent years, including (click on the links for more information):

- [In 2015 the Canberra Southern Cross Club were required to appoint an external auditor](#)
- [In 2016 TABCORP were found to not have contravened AML/CTF obligations on 108 occasions, resulting in a fine of \\$45 million](#)
- [In 2017 the Commonwealth Bank and AUSTRAC agreed on a fine of \\$700 million for serious breaches of AML/CTF obligations](#)
- [In 2019 AfterPay were required to appoint an external auditor](#)

- [In 2019 PayPal were required to appoint an external auditor](#)
- [In 2020 Westpac were ordered by the Federal Court to pay a fine of \\$1.3 billion for serious breaches of the AML/CTF Act](#)

1.4. Penalties for Non-Compliance

Individual Staff Members

Under the AML/CTF Act individual staff members can be fined up to \$4.2 million and/or jailed, including when they:

- do not report suspected money laundering activity;
- are caught laundering money;
- are helping people to launder money;
- tip someone off that the Club is suspicious that they are laundering money; or
- are found to be breaching the AML/CTF Act in any other way.

The Club

In addition to individual staff being able to be fined, the Club can also be fined a maximum of \$21 million under the AML/CTF Act.

It is, therefore, important that all relevant staff are aware of their obligations and report any suspicious behaviour immediately.

1.5. What are my obligations under the AML/CTF Act?

Although there are a significant number of obligations that the Club must comply with under the AML/CTF Act, many of these obligations are taken care of by management behind the scenes.

The three main obligations relating to all staff are:

Suspicious Behaviour

Reporting any suspicious incidents or patrons that you suspect may be involved in money laundering or terrorism financing.

Large Payouts

Identifying, verifying and recording details of patrons receiving payouts of \$10,000 or more.

High Risk Customers

Identifying and reporting customers who may be of higher risk of money laundering or terrorism financing (including Politically Exposed Persons)

1.6. Section 1 Quiz

{Quiz}

Section 2. Suspicious Matters

2.1. What is a Suspicious Matter?

A suspicious matter is any incident or transaction that indicates a patron may be laundering money or financing terrorism. A transaction does not need to be conducted to be suspicious - a query or conversation may be all that is required.

Generally if a person is laundering money or financing terrorism they will want to:

- appear to have won money at the Club;

- hide who they are; or
- disguise where money is going to (e.g. to a terrorist or terrorist organisation)

In order for this to occur, they may:

- come to the Club with a large amount of money;
- hedge their bets to ensure they don't lose much of their money;
- only turnover a small amount of money; and
- wish to create a trail showing money was won (e.g. gaming machine ticket, payout voucher and/or cheque).

Please note that although the above is correct in most instances of money laundering or terrorism financing, sometimes the opposite can be the case, for example a patron who is:

- committing Centrelink fraud may not wish to have a trail showing money is gambled or won; and
- laundering money on roulette may appear to be turning over a large amount of money, but hedging their bets to ensure they only lose a small amount of this money.

2.2. Examples of Suspicious Matters

Following are examples of incidents that you are required to report:

Hedging bets on a gaming machine

A patron inserts a large amount of money into a gaming machine, turns over a small amount of money (or no money) and then collects the payout requesting a cheque.

Purchasing gaming machine credits or tickets

A patron walks around the gaming area looking for other patrons who have large wins. The patron approaches the other patrons and offers to buy their credits or tickets. They may even pay more money than what the credits or tickets are worth.

Hedging bets on a roulette machine

A patron bets both red and black on the same game of roulette. By doing this they are hedging their bets as they will win most of their money back 97% of the time.

Variations of this include two patrons colluding with one betting red and the other betting black on separate terminals. A customer may also bet on every number rather than betting on red and black.

Hedging bets in the TAB

A patron places a large bet on a horse who is paying very short odds (e.g. \$1.01), both teams in a football game or all horses in a race.

Cashless and TAB accounts

A patron deposits a large amount of money into their account and then collects the money without placing any bets (or only betting a small amount).

Another indication may be if different persons are accessing (depositing, withdrawing or betting) the same account. The only person who can use an account is the person it belongs to.

Multiple cheques over a short period of time

A patron may receive a number of cheques over a short period of time. Although you may not notice anything suspicious about their behaviour in order to receive the payouts, the fact that they received multiple cheques in a short time can be unusual.

Hiding identity

A patron uses a false name to pretend to get a payout in someone else's name or hide who is gambling the money.

In order to do this a visitor may provide false identification to enter the Club or someone may join the Club as a member in someone else's name.

Avoiding being identified

A patron may avoid being identified by ensuring that their payout amount will be below \$5,000. To do this they may deliberately play down their credits to just under \$5,000, or tell you that they did this as they didn't wish to be identified.

Counterfeit and modified gaming payout cheques

A patron inserts \$5,030 in a gaming machine. The patron plays \$5 and collects a ticket to the value of \$5,025. The patron redeems the payout collecting \$5,000 in cash and the remaining \$25 in cheque. The cheque is later modified to change the value to \$25,000 and banked. The modified cheque may not be detected by the Club until a bank reconciliation is carried out.

Both the initial behaviour to obtain the cheque and the actions carried out to modify the cheque are suspicious.

Requesting a payout be made out to someone else

A patron may request that a payout be made out to another person. Although you are unable to do this, the request made by the patron is suspicious and needs to be reported.

Collusion between staff and money launderers

A corrupt staff member may alert the money launderer to significant payout situations and facilitate the introduction of the prize-winner and the money launderer. Staff may also be involved in other ways with money launderers.

NDIS sourced funds for cash withdrawals or gambling

A person who has fraudulently obtained National Disability Insurance Scheme (NDIS) funds gambles these funds as a way of hiding their origin or destination.

This person may be a be personally receiving NDIS funding or work for a provider of NDIS services.

2.3. Counterfeit Money

Although some patrons may unknowingly receive counterfeit money elsewhere, and attempt to use it at the Club, it may also indicate that the person is laundering money or financing terrorism. Generally suspicious transactions involve multiple notes.

What do I do if I suspect a patron is using counterfeit money?

If the patron is attempting to use or exchange counterfeit money:

- do not give the note/s back to the customer;
- do not give the customer another note/s; and
- notify your Duty Manager immediately.

Exchanging counterfeit money for legitimate money

A patron requests to exchange a large bundle of money from one denomination to another (e.g. \$50 to \$100 notes). If this occurs, make sure you count out each individual note ensuring ALL notes are genuine.

Note acceptor detects counterfeit money

Another indication may be if a gaming machine did not accept a particular note - pay close attention as it may be fake. Gaming machine and CRT note acceptors should always detect counterfeit notes.

2.4. Proceeds of Crime

"Proceeds of crime" refers to money or property gained from criminal activity. This may include the sale of drugs or stolen property.

In order to prevent suspicion from law enforcement patrons wishing to launder the proceeds of crime will likely wish to "recycle" this money so they are no longer in possession of it - they may deliberately avoid creating a paper trail.

Why would a patron wish to exchange banknotes without a paper trail?

Unlike other money laundering examples, this patron may not wish to create a paper trail but, rather, simply exchange the 'dirty' banknotes for 'clean' banknotes.

Every banknote has a unique serial number. These serial numbers may be used by law enforcement to tie an individual to an illegal transaction, for example:

1. Person A sells drugs to an undercover police officer (who keeps a record of the banknote serial numbers)
2. Person A then hands the money over to Person B
3. Person B can now be tied to the criminal activity through the possession of the banknotes

Scenario

A patron inserts a large number of banknotes into a gaming machine, followed by minimal play. The patron then collects a ticket from the gaming machine and redeems it at a CRT or cashier. The patron then leaves the venue.

What should you do?

If you suspect a patron is using or attempting to exchange money that is the proceeds of crime you must follow the directions on the next slide for reporting suspicious behaviour.

2.5. What should I do if I suspect a patron is laundering money or financing terrorism?

Do not let a customer know that you are suspicious of their behaviour

Under the AML/CTF Act staff members can be prosecuted for tipping a patron off.

Try and get as much information about the patron as possible, without letting them know you are suspicious.

Immediately report your suspicions to your Duty Manager

Your Duty Manager will prepare a report for the Club's AML/CTF Compliance Officer.

The AML/CTF Compliance Officer must investigate all possible money laundering and terrorism financing related matters and decide whether it needs to be reported to AUSTRAC.

Some matters are required to be reported to AUSTRAC within 24 hours, so it is important that you alert your Duty Manager to your suspicions immediately.

2.6. Section 2 Quiz

{Quiz}

Section 3. Large Payouts

3.1. What is a Large Payout?

A large payout is any gaming machine or TAB payout of \$10,000 or more.

What needs to be verified and collected?

Under the AML/CTF Act, the Club is required to verify and collect further information about a patron than may be required for smaller payouts, namely the patron's:

- full name;
- date of birth; and
- residential address.

What identification documents are acceptable?

The Club's AML/CTF program allows for the following identification documents to be accepted when processing large payouts. Please note that this may not be an exhaustive list of acceptable identification documents and the Club's AML/CTF program may allow additional identification documents to be accepted.

Option 1

Primary photographic identification, including:

- Australian issued driver or rider licence (including Digital Driver Licences);
- Australian issued photo card or proof of age card;
- Passport;
- National identity card; or
- Australia Post Keypass ID

Option 2

Both of the following:

- Primary non-photographic identification (such as birth certificate, citizen certificate or pension card); and
- Secondary identification (such as Centrelink/ATO notice or utilities bill).

What do I need to do?

If you are working as a cashier or in the TAB when a customer wishes to collect a payout of \$10,000 or more, you must call the Duty Manager immediately.

Your Duty Manager will complete the necessary paperwork.

3.2. Section 3 Quiz

{Quiz}

Section 4. High Risk Customers

4.1. What is a High Risk Customer?

Most patrons who come to the Club are of low risk of laundering money or financing terrorism.

From time to time information may present itself to indicate that a patron is of a high risk of laundering money or financing terrorism.

What types of customers are high risk?

- patrons who have previously been suspected of laundering money or financing terrorism at the Club;
- patrons suspected of involvement in criminal activity such as dealing drugs, theft, etc;
- patrons who have previously been convicted of offences such as fraud, corruption, etc;

- patrons who are outlaw motorcycle gang members;
- politically exposed persons and their associates; or
- patrons from other countries that may seek to launder money in or out of that country (e.g. patrons using foreign identification when receiving large payouts).

4.2. What is a Politically Exposed Person?

A Politically Exposed Person (PEP) is anyone who holds a prominent public position or function in a government body or an international organisation, either in Australia or any other country.

Why do I care if a patron is a PEP?

Although most PEPs are upstanding citizens, a person within a senior government role may be:

- able to be corrupted through bribes;
- embezzling money from government accounts; and
- at greater risk of being influenced by criminal elements.

Therefore, any patron who is a PEP is of higher risk of laundering money or financing terrorism.

Examples of PEPs

- Head of State or head of a country or government;
- government minister or equivalent senior politician;
- senior government official;
- Judge of the High Court of Australia, the Federal Court of Australia or a Supreme Court of a State or Territory, or a Judge of a court of equivalent seniority in a foreign country or international organisation;
- governor of a central bank or any other position that has comparable influence to the Governor of the Reserve Bank of Australia;
- senior foreign representative, ambassador, or high commissioner;
- high-ranking member of the armed forces; or
- board chair, chief executive, or chief financial officer of, or any other position that has comparable influence in, any State enterprise or international organisation.

Relatives and Associates of PEPs

Any immediate family members of PEPs are also considered to be a PEP, including:

- spouse or partner;
- children;
- children's spouse or partner; or
- parents

Further, any close personal or business associates of PEPs are also considered to be PEPs.

4.3. How do I know if a patron is a Politically Exposed Person?

Now that you know what a PEP is, it is important that you remain vigilant to assist the Club to identify possible PEPs.

You may suspect a patron is a PEP based on:

- a conversation you have with a patron (e.g. they indicate they are a close associate of a PEP by threatening to lodge a complaint with them);
- information provided by other patrons;

- the occupation provided by a patron when joining or re-joining the Club (e.g. politician, judge, diplomat, etc);
- information you become aware of outside of work (e.g. you are watching the evening news and you recognise a patron);
- diplomatic passports used as identification;
- government name tags, identification tags or uniforms; or
- patrons who always attend the Club with a known PEP.

4.4. What do I do if I suspect a patron is high risk?

If you suspect a customer may be High Risk, they should be immediately reported to your Duty Manager.

As with suspicious matters, do not let the patron know that you suspect they are a PEP or that you will be reporting them.

Your Duty Manager will provide a report to the Club's AML/CTF Compliance Officer.

The AML/CTF Compliance Officer will conduct a risk assessment to determine whether the patron is High Risk and, if so, determine whether the patron:

- needs to be reported to AUSTRAC;
- needs to be monitored on an ongoing basis by the Club; and
- needs to have their relationship with the Club terminated.

4.5. Section 4 Quiz

{Quiz}

BetSafe eLearning AML/CTF Course

Congratulations, you have successfully completed the BetSafe eLearning AML/CTF Course.

Remember

If you have any questions about anything that was covered in today's course, speak to:

1. Your Duty Manager - all suspected AML/CTF related matters should be reported immediately to your Duty Manager. It is always best to err on the side of caution and speak to your Duty Manager even if you are not 100% sure.
2. BetSafe - we can provide you with further guidance and advice about the topics covered in this course and the Club's AML/CTF obligations.

Appendix P – BetSafe Online AML/CTF Training for Duty Managers

Section 1. Introduction

1.1. Welcome to the BetSafe eLearning AML/CTF Course

This course is split up into 4 sections:

1. Introduction to AML/CTF
2. Suspicious Matters
3. Large Payouts
4. High Risk Customers

At the end of each section there are a number of multiple choice questions. In order to continue to the next section you are required to answer the questions correctly. If you provide an incorrect answer you will be able to go back and answer the questions again.

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{Video}

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- annual compliance reports detailing what the Club is doing to comply with the relevant requirements.

Powers of AUSTRAC

AUSTRAC has the power to undertake assessments of the Club's AML/CTF program and:

- require the Club to make amendments to its AML/CTF program;
- require the Club to appoint an external auditor; or
- prosecute the Club (and individual staff) for any breaches of the AML/CTF Act.

Recent AUSTRAC Action

A number of companies which are subject to the AML/CTF Act have had significant penalties, and other measures, imposed on them by AUSTRAC in recent years, including (click on the links for more information):

- [In 2015 the Canberra Southern Cross Club were required to appoint an external auditor](#)
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1.4. Penalties for Non-Compliance

Individual Staff Members

Under the AML/CTF Act individual staff members can be fined up to \$4.2 million and/or jailed, including when they:

- do not report suspected money laundering activity;
- are caught laundering money;
- are helping people to launder money;
- tip someone off that the Club is suspicious that they are laundering money; or
- are found to be breaching the AML/CTF Act in any other way.

The Club

In addition to individual staff being able to be fined, the Club can also be fined a maximum of \$21 million under the AML/CTF Act.

It is, therefore, important that all relevant staff are aware of their obligations and report any suspicious behaviour immediately.

1.5. What are my obligations under the AML/CTF Act?

Although there are a significant number of obligations that the Club must comply with under the AML/CTF Act, many of these obligations are taken care of by management behind the scenes.

The three main obligations relating to all staff are:

Suspicious Behaviour

Reporting any suspicious incidents or patrons that you suspect may be involved in money laundering or terrorism financing.

Large Payouts

Identifying, verifying and recording details of patrons receiving payouts of \$10,000 or more.

High Risk Customers

Identifying and reporting customers who may be of higher risk of money laundering or terrorism financing (including Politically Exposed Persons)

1.6. Section 1 Quiz

{Quiz}

Section 2. Suspicious Matters

2.1. What is a Suspicious Matter?

A suspicious matter is any incident or transaction that indicates a patron may be laundering money or financing terrorism. A transaction does not need to be conducted to be suspicious - a query or conversation may be all that is required.

Generally if a person is laundering money or financing terrorism they will want to:

- appear to have won money at the Club;
- hide who they are; or
- disguise where money is going to (e.g. to a terrorist or terrorist organisation)

In order for this to occur, they may:

- come to the Club with a large amount of money;
- hedge their bets to ensure they don't lose much of their money;
- only turnover a small amount of money; and
- wish to create a trail showing money was won (e.g. gaming machine ticket, payout voucher and/or cheque).

Please note that although the above is correct in most instances of money laundering or terrorism financing, sometimes the opposite can be the case, for example a patron who is:

- committing Centrelink fraud may not wish to have a trail showing money is gambled or won; and
- laundering money on roulette may appear to be turning over a large amount of money, but hedging their bets to ensure they only lose a small amount of this money.

2.2. Examples of Suspicious Matters

Following are examples of incidents that you are required to report:

Hedging bets on a gaming machine

A patron inserts a large amount of money into a gaming machine, turns over a small amount of money (or no money) and then collects the payout requesting a cheque.

Purchasing gaming machine credits or tickets

A patron walks around the gaming area looking for other patrons who have large wins. The patron approaches the other patrons and offers to buy their credits or tickets. They may even pay more money than what the credits or tickets are worth.

Hedging bets on a roulette machine

A patron bets both red and black on the same game of roulette. By doing this they are hedging their bets as they will win most of their money back 97% of the time.

Variations of this include two patrons colluding with one betting red and the other betting black on separate terminals. A customer may also bet on every number rather than betting on red and black.

Hedging bets in the TAB

A patron places a large bet on a horse who is paying very short odds (e.g. \$1.01), both teams in a football game or all horses in a race.

Cashless and TAB accounts

A patron deposits a large amount of money into their account and then collects the money without placing any bets (or only betting a small amount).

Another indication may be if different persons are accessing (depositing, withdrawing or betting) the same account. The only person who can use an account is the person it belongs to.

Multiple cheques over a short period of time

A patron may receive a number of cheques over a short period of time. Although you may not notice anything suspicious about their behaviour in order to receive the payouts, the fact that they received multiple cheques in a short time can be unusual.

Hiding identity

A patron uses a false name to pretend to get a payout in someone else's name or hide who is gambling the money.

In order to do this a visitor may provide false identification to enter the Club or someone may join the Club as a member in someone else's name.

Avoiding being identified

A patron may avoid being identified by ensuring that their payout amount will be below \$5,000. To do this they may deliberately play down their credits to just under \$5,000, or tell you that they did this as they didn't wish to be identified.

Counterfeit and modified gaming payout cheques

A patron inserts \$5,030 in a gaming machine. The patron plays \$5 and collects a ticket to the value of \$5,025. The patron redeems the payout collecting \$5,000 in cash and the remaining \$25 in cheque. The cheque is later modified to change the value to \$25,000 and banked. The modified cheque may not be detected by the Club until a bank reconciliation is carried out.

Both the initial behaviour to obtain the cheque and the actions carried out to modify the cheque are suspicious.

Requesting a payout be made out to someone else

A patron may request that a payout be made out to another person. Although you are unable to do this, the request made by the patron is suspicious and needs to be reported.

Collusion between staff and money launderers

A corrupt staff member may alert the money launderer to significant payout situations and facilitate the introduction of the prize-winner and the money launderer. Staff may also be involved in other ways with money launderers.

NDIS sourced funds for cash withdrawals or gambling

A person who has fraudulently obtained National Disability Insurance Scheme (NDIS) funds gambles these funds as a way of hiding their origin or destination.

This person may be a be personally receiving NDIS funding or work for a provider of NDIS services.

2.3. Counterfeit Money

Although some patrons may unknowingly receive counterfeit money elsewhere, and attempt to use it at the Club, it may also indicate that the person is laundering money or financing terrorism. Generally suspicious transactions involve multiple notes.

What do I do if I suspect a patron is using counterfeit money?

If the patron is attempting to use or exchange counterfeit money:

- do not give the note back to the customer;
- do not give the customer another note;
- consider notifying the police; and
- notify the AML/CTF Compliance Officer.

Exchanging counterfeit money for legitimate money

A patron requests to exchange a large bundle of money from one denomination to another (e.g. \$50 to \$100 notes). If this occurs, make sure you count out each individual note ensuring ALL notes are genuine.

Note acceptor detects counterfeit money

Another indication may be if a gaming machine did not accept a particular note - pay close attention as it may be fake. Gaming machine and CRT note acceptors should always detect counterfeit notes.

2.4. Proceeds of Crime

"Proceeds of crime" refers to money or property gained from criminal activity. This may include the sale of drugs or stolen property.

In order to prevent suspicion from law enforcement patrons wishing to launder the proceeds of crime will likely wish to "recycle" this money so they are no longer in possession of it - they may deliberately avoid creating a paper trail.

Why would a patron wish to exchange banknotes without a paper trail?

Unlike other money laundering examples, this patron may not wish to create a paper trail but, rather, simply exchange the 'dirty' banknotes for 'clean' banknotes.

Every banknote has a unique serial number. These serial numbers may be used by law enforcement to tie an individual to an illegal transaction, for example:

1. Person A sells drugs to an undercover police officer (who keeps a record of the banknote serial numbers)
2. Person A then hands the money over to Person B
3. Person B can now be tied to the criminal activity through the possession of the banknotes

Scenario

A patron inserts a large number of banknotes into a gaming machine, followed by minimal play. The patron then collects a ticket from the gaming machine and redeems it at a CRT or cashier. The patron then leaves the venue.

What should you do?

If you suspect a patron is using or attempting to exchange money that is the proceeds of crime you must follow the directions on the next slide for reporting suspicious behaviour.

2.5. What should I do if I suspect a patron is laundering money or financing terrorism?

Do not let a customer know that you are suspicious of their behaviour

Under the AML/CTF Act staff members can be prosecuted for tipping a patron off.

Try and get as much information about the patron as possible, without letting them know you are suspicious.

Immediately report your suspicions to the AML/CTF Compliance Officer

This can be done either verbally, by email or through an incident report.

Ensure you tell the AML/CTF Compliance Officer:

- which patron(s) were involved;
- why you are suspicious;
- when the incident occurred; and
- any other information that may be relevant.

The AML/CTF Compliance Officer must investigate all possible money laundering and terrorism financing related matters and decide whether it needs to be reported to AUSTRAC.

Some matters are required to be reported to AUSTRAC within 24 hours.

2.6. Section 2 Quiz

{Quiz}

Section 3. Large Payouts

3.1. What is a Large Payout?

A large payout is any gaming machine or TAB payout of \$10,000 or more.

The Club is required to collect, verify and retain customer identification information each time a large payout is made.

A Know Your Customer (KYC) record must be completed for all large payouts.

What needs to be verified and collected?

Under the AML/CTF Act, the Club is required to verify and collect further information about a patron than may be required for smaller payouts, namely the patron's:

- full name;
- date of birth; and
- residential address.

3.2. What Identification Documents can be accepted?

The Club's AML/CTF program allows for the following identification documents to be accepted when processing large payouts. Please note that this may not be an exhaustive list of acceptable identification documents and the Club's AML/CTF program may allow additional identification documents to be accepted.

Option 1 (preferred)

Primary photographic identification, including:

- Australian issued driver or rider licence;
- Australian issued photo card or proof of age card;
- Passport;
- National identity card; or
- Australia Post Keypass ID

Please note that these documents must include a photograph of the individual.

The Club can accept Australian issued digital primary photographic identification documents. The digital identification document must be accessed directly through the issuing authority's App (as an example, see the Service NSW [How to check the Digital Driver Licence](#) guide for more information).

Option 2

Both of the following:

- Primary non-photographic identification, such as:
 - birth certificate;
 - citizen certificate; or
 - pension card;

and

- Secondary identification, such as
 - Centrelink notice (issued in last 12 months);
 - ATO notice (issued in last 12 months);
 - Local Government bill (issued in last 3 months); or

- utilities bill (issued in last 3 months).

3.3. Can I accept an expired identification document?

In general identification documents must be current. However, under the Club's AML/CTF program there are a number of exceptions:

- Australian issued Passport, which has expired within the previous 2 years; and
- Australian issued driver licence, which has expired within the previous month and is accompanied by an interim licence renewal receipt issued by an Australian driver licensing authority.

Except for the above examples an expired identification document should not be accepted as a proof of identity and the payout should not proceed until the patron has provided the necessary identification document(s).

3.4. Large Payouts FAQs

The patron only brought their membership card to the Club - they are a regular patron - can I just complete the KYC record with their information from the membership system?

No - the payout cannot be completed until they provide the necessary identification documentation.

A passport does not generally provide the patron's address, can I still accept this as identification?

The requirements technically only require either the address or DOB to be verified, however, both are required to be recorded.

As such, it is acceptable to either verbally obtain the patron's address or request another document showing the address.

I processed a payout for the same patron recently, can I just use the same information for the KYC record?

No - the requirements state that the patron's identification information must be verified, recorded and retained for all payouts of \$10,000 or more.

The patron's driver licence expired yesterday and they haven't got around to going to the RMS to renew their licence, can I just accept the driver licence?

No - expired driver licences can only be accepted if they are accompanied by an RMS renewal receipt and the licence expired within the past month.

A patron provided a driver licence that expired 2 months ago with an RMS renewal receipt, is that acceptable?

No - as the licence expired more than a month ago, this is not acceptable.

The patron provided a 'National Licence to Perform High Risk Work'

No - although this is government issued and contains a photo, this is not one of the Primary Identification Documents listed earlier.

The patron was very evasive about being identified, I suspect they may be trying to hide or disguise their identity, what should I do?

Advise the patron that by law the payout cannot be completed until the necessary identification documentation is provided.

Given your suspicions, you should advise the AML/CTF Compliance Officer about a possible Suspicious Matter.

Is a Medicare card a primary non-photographic identification document?

No - a Medicare card cannot be accepted as an identification document for AML/CTF purposes.

3.5. Section 3 Quiz

{Quiz}

Section 4. High Risk Customers

4.1. What is a High Risk Customer?

Most patrons who come to the Club are of low risk of laundering money or financing terrorism.

From time to time information may present itself to indicate that a patron is of a high risk of laundering money or financing terrorism.

What types of customers are high risk?

- patrons who have previously been suspected of laundering money or financing terrorism at the Club;
- patrons suspected of involvement in criminal activity such as dealing drugs, theft, etc;
- patrons who have previously been convicted of offences such as fraud, corruption, etc;
- patrons who are outlaw motorcycle gang members;
- politically exposed persons and their associates; or
- patrons from other countries that may seek to launder money in or out of that country (e.g. patrons using foreign identification when receiving large payouts).

4.2. What is a Politically Exposed Person?

A Politically Exposed Person (PEP) is anyone who holds a prominent public position or function in a government body or an international organisation, either in Australia or any other country.

Why do I care if a patron is a PEP?

Although most PEPs are upstanding citizens, a person within a senior government role may be:

- able to be corrupted through bribes;
- embezzling money from government accounts; and
- at greater risk of being influenced by criminal elements.

Therefore, any patron who is a PEP is of higher risk of laundering money or financing terrorism.

Examples of PEPs

- Head of State or head of a country or government;
- government minister or equivalent senior politician;
- senior government official;
- Judge of the High Court of Australia, the Federal Court of Australia or a Supreme Court of a State or Territory, or a Judge of a court of equivalent seniority in a foreign country or international organisation;
- governor of a central bank or any other position that has comparable influence to the Governor of the Reserve Bank of Australia;
- senior foreign representative, ambassador, or high commissioner;
- high-ranking member of the armed forces; or

- board chair, chief executive, or chief financial officer of, or any other position that has comparable influence in, any State enterprise or international organisation.

Relatives and Associates of PEPs

Any immediate family members of PEPs are also considered to be a PEP, including:

- spouse or partner;
- children;
- children's spouse or partner; or
- parents

Further, any close personal or business associates of PEPs are also considered to be PEPs.

4.3. How do I know if a patron is a Politically Exposed Person?

Now that you know what a PEP is, it is important that you remain vigilant to assist the Club to identify possible PEPs.

You may suspect a patron is a PEP based on:

- a conversation you have with a patron (e.g. they indicate they are a close associate of a PEP by threatening to lodge a complaint with them);
- information provided by other patrons;
- the occupation provided by a patron when joining or re-joining the Club (e.g. politician, judge, diplomat, etc);
- information you become aware of outside of work (e.g. you are watching the evening news and you recognise a patron);
- diplomatic passports used as identification;
- government name tags, identification tags or uniforms; or
- patrons who always attend the Club with a known PEP.

4.4. What do I do if I suspect a patron is high risk?

As with suspicious matters, do not let the patron know that you suspect they are a PEP or that you will be reporting them.

If you suspect a customer may be High Risk, they should be immediately reported to the AML/CTF Compliance Officer.

The AML/CTF Compliance Officer will conduct a risk assessment to determine whether the patron is High Risk and, if so, determine whether the patron:

- needs to be reported to AUSTRAC;
- needs to be monitored on an ongoing basis by the Club; and
- needs to have their relationship with the Club terminated.

4.5. Section 4 Quiz

{Quiz}

BetSafe eLearning AML/CTF Course

Congratulations, you have successfully completed the BetSafe eLearning AML/CTF Course.

Remember

If you have any questions about anything that was covered in today's course, speak to:

1. The AML/CTF Compliance Officer - all suspected AML/CTF related matters should be reported immediately to the AML/CTF Compliance Officer. It is always best to err on the side of caution and speak to the AML/CTF Compliance Officer even if you are not 100% sure.
2. BetSafe - we can provide you with further guidance and advice about the topics covered in this course and the Club's AML/CTF obligations.

Appendix Q – BetSafe Face to Face Training Slides

What is the AML/CTF Act?



- Anti-Money Laundering & Counter-Terrorism Financing Act 2006 (Cth).
- This legislation assists government agencies to detect people that may be laundering money and/or financing terrorism.
- Relates to all gaming venues in Australia:
 - gaming machines
 - TAB
 - bookmakers
 - Casinos
- Also relates to financial institutions, such as banks.

1

Responsibilities of the Club



- The AML/CTF law requires the Club to:
 - Develop and maintain a documented AML/CTF program
 - Ensure customers gambling at the club are properly identified (Ongoing Customer Due Diligence & Know Your Customer)
 - Monitor customers who may be considered higher risk of laundering money or financing terrorism
 - Monitor transactions to detect potential money laundering or terrorism financing behaviour (Transaction Monitoring Program)
 - Identify, mitigate and manage money laundering or terrorism financing risks (Risk Assessment)
 - Ensure staff receive sufficient training in relation to their responsibilities and obligations

2

Who is AUSTRAC?



- The government body responsible for enforcing the AML/CTF Act.
- Investigates possible money laundering and terrorism financing incidents.
- Liaise with other government agencies
 - e.g. Centrelink, ATO, Police, Medicare
- The club needs to report regularly to AUSTRAC.

3

What is Money Laundering and Terrorism Financing?



- Money Laundering
 - The process whereby criminals attempt to hide and disguise the true origin and ownership of the proceeds of their criminal activities, thereby avoiding prosecution, conviction and confiscation of the criminal funds
- Terrorism Financing
 - The financing of terrorist acts and of terrorists and terrorist organisations

4

Why do I need to know this?



- The club has a legal obligation to follow the legislation.
- Fines can be issued to:
 - The club: maximum fine of \$21 million; and
 - Staff members: maximum fine of \$4.2 million.
- Individual staff members can also be jailed under the legislation.
- Examples where staff members can be prosecuted:
 - Laundering money yourself
 - Assisting someone to launder money
 - Not reporting ML/TF activity
 - Tipping someone off

5

What do I need to do?



The main responsibilities of most staff members will be to report:

- 1. Suspicious Behaviour**
Report any suspicious behaviour that may relate to ML/TF
- 2. Large Payouts**
Identify, verify and document details of people receiving payouts of \$10,000 or more
- 3. High Risk Customers**
Identify and report customers who may be a Politically Exposed Person (PEP) or high risk.

6

Suspicious Behaviour – What is it?



- Any incident or transaction that indicates a patron may be laundering money or financing terrorism.
 - A transaction does not need to be conducted to be suspicious - a query or conversation may be all that is required.
- Generally they may:
 - appear to have won money at the Club;
 - hide who they are; or
 - disguise where money is going to (e.g. to a terrorist or terrorist organisation)
- To do this they may:
 - come to the Club with a large amount of money;
 - hedge their bets to ensure they don't lose much of their money;
 - only turnover a small amount of money; and
 - wish to create a trail showing money was won

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Suspicious Behaviour – Examples



- Gaming Machines**
 - Large amount of money in, little or no turnover, large amount of money out.
 - Purchase of winning credits or tickets.
- Roulette/MTGMs**
 - Betting red and black on same game.
 - Betting the board.
- Cashless/TAB Accounts**
 - Depositing money and withdrawing by cheque.
 - Different people depositing/withdrawing from one account.
- TAB**
 - Large bets on 'certainties'.
 - Betting on both teams or betting the field.
- Other**
 - Multiple cheques over a short period of time.
 - Using fake identification to collect a payout (or join/enter the club).
 - Playing down credits (to under \$5,000) to avoid being identified
 - Requesting a cheque be made out to someone else.
 - Fraudulent use of NDIS funds

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Suspicious Behaviour – What do I do?



- General staff: advise the Duty Manager.
- Duty Managers: notify Compliance Officer immediately and complete incident report.
- Try to identify parties involved.
- Get as much information as possible.
- Do not alert parties to your suspicions.

9

Counterfeit Money



- Can be any denomination, however generally the larger denominations.
- In our experience, most commonly \$50 notes.
- How to detect a counterfeit note:
 - Check it is polymer.
 - Check the clear window.
 - Look for the coat of arms.
 - Look for the (seven pointed) star.
 - Feel the dark printing.
 - Check the print quality.
 - Look for the microprinting.

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Genuine \$50 note



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Dealing with counterfeit/stolen money



- Scenarios:
 - Exchanging counterfeit/stolen money for genuine notes
 - Exchanging large amounts of money and not gambling
 - Note acceptors rejecting a note
- Refusing to accept or exchange counterfeit/stolen money **is not** be considered tipping off.
- General staff – advise the Duty Manager immediately.
- Duty Managers:
 - Consider notifying the police immediately.
 - Confiscate the money if already received.
 - Do not exchange money.

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Know Your Customer



- An individual gaming or TAB payout of \$10,000 or more.
- The following details need to be documented on the 'Know Your Customer' form:
 - Full name;
 - Date of birth; and
 - Residential address.
- Need to be verified against valid primary photographic identification:
 - Driver's or Rider's License
 - Photo Card or Proof of Age Card
 - Passport
- Alternatively, can be identified through primary non-photographic identification and secondary identification.

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High Risk Customers



- Most patrons who come to the Club are of low risk of laundering money or financing terrorism (ML/TF).
- From time to time information may present itself to indicate that a patron is of a high risk of laundering money or financing terrorism.
- These may include the following patrons:
 - previously been suspected of ML/TF behaviour at the Club;
 - suspected of involvement in criminal activity such as drugs, theft, etc;
 - convicted of offences such as fraud, corruption, etc;
 - outlaw motorcycle gang members;
 - Politically Exposed Persons (PEPs) and their associates; or
 - from other countries that may seek to launder money in or out of that country (e.g. patrons using foreign identification when receiving large payouts).

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Politically Exposed Persons (PEPs) (1/2)



- Anyone who holds a prominent public position or function in a government body or an international organisation, including:
 - Head of State or head of a country or government; or
 - government minister or equivalent senior politician; or
 - senior government official; or
 - Judge of the High Court of Australia, the Federal Court of Australia or a Supreme Court of a State or Territory, or a Judge of a court of equivalent seniority in a foreign country or international organisation; or
 - governor of a central bank or any other position that has comparable influence to the Governor of the Reserve Bank of Australia; or
 - senior foreign representative, ambassador, or high commissioner; or
 - high-ranking member of the armed forces; or
 - board chair, chief executive, or chief financial officer of, or any other position that has comparable influence in, any State enterprise or international organisation

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Politically Exposed Persons (PEPs) (2/2)



- A PEP is also:
 - an immediate family member of these people, including:
 - a spouse
 - a de facto partner
 - a child and a child's spouse or de facto partner
 - a parent
 - A close associate (business or personal) of these people

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How to do I know which customers are PEPs?



- It is important that you firstly understand what a PEP is and remain vigilant.
- You may suspect a customer is a PEP based on:
 - conversations with the customer;
 - information provided by other customers;
 - their occupation provided when joining or re-joining;
 - other customers who attend the Club with known PEPs;
 - information you may become aware of in media reports; or
 - name tags or identification which is sighted

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What do I do if I suspect a customer may be high risk?



- In line with normal AML/CTF procedure, do not tip the customer off about your suspicions.
- Alert your Duty Manager immediately to any suspected high risk customers.
- If you are not sure whether a customer may be high risk, report it anyway to be sure.
- The AML/CTF Compliance Officer will carry out a risk assessment (Enhanced Customer Due Diligence) on the customer and determine whether any further actions are appropriate.

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Appendix R – Extracts from Registered Clubs Act 1976 (NSW)

Extracts from Section 4 – Definitions

- "full member", in relation to a club, means a person who is an ordinary member or a life member of that club.
- "guest":
 - (a) of a full member, provisional member or honorary member of a registered club, means a person:
 - (i) whose name and address (unless the person is a minor), countersigned by the member, are entered in a register kept for the purpose by the club, and
 - (ii) who, at all times while on the club premises, remains in the reasonable company of the member, and
 - (iii) who does not remain on the club premises any longer than the member, and
 - (b) of a temporary member of a registered club, means a minor:
 - (i) who, at all times while on the club premises, remains in the company and immediate presence of the member, and
 - (ii) who does not remain on the club premises any longer than the member, and
 - (iv) in relation to whom the member is a responsible adult.
- "honorary member", in relation to a club, means a person who, under the rules of that club, is an honorary member of that club.
- "member" of a club means a person who is a full member, a provisional member, an honorary member or a temporary member of the club.
- "ordinary member" of a club means a person who is elected to membership of the club in accordance with the rule of the club referred to in section 30 (1) (g).
- "provisional member" of a club means a person who has applied for admission as a full member of the club, has paid the subscription appropriate for the membership applied for, and is awaiting a decision on the application.
- "temporary member", in relation to a club, means a person who, under the rules of the club, is a temporary member of that club.

Extracts from Section 30 - Rules of registered clubs

Section 30(2A)

If the rules of a club provide for the admission of honorary members or temporary members, the rules are taken also to include a rule that there is to be prominently displayed at all times at each entrance on the club premises at which members and guests are permitted to enter:

- (a) subject to any exception created by the regulations under subsection (3C), a map that clearly shows the limits of the area within which an ordinary resident of the area is not eligible for temporary membership otherwise than under section 30 (10), and
- (b) the rules of the club that relate to temporary membership of the club, and
- (c) a copy of section 30 (10), unless the rules of the club provide that the provisions of that subsection do not apply to the club, and
- (d) a copy of the definition of "guest" in section 4.

Section 30(3B)

A person whose ordinary place of residence is in New South Wales and is within a radius of 5 kilometres from the premises of a registered club (in this subsection referred to as "the host club") is not eligible for admission as a temporary member of the host club unless the person is:

- (a) a member of another registered club with similar objects to those of the host club, or
- (b) a member of another registered club who is attending the host club as provided by subsection (10).

Section 30(10)

The rules of a registered club (in this subsection referred to as "the host club") shall, unless its rules provide that the provisions of this subsection do not apply to that club, be deemed to include a rule that a full member of any other registered club or any interstate club (as defined in subsection (13)) who, at the invitation of the governing body or of a full member of the host club, attends on any day at the premises of the host club for the purpose of participating in an organised sport or competition to be conducted by the host club on that day shall be a temporary member of the host club from the time on that day when he or she so attends the premises of the host club until the end of that day.

Appendix S – Extracts from Gaming Machines Regulation 2019 (NSW)

Clause 12 Records relating to prizes to be kept by clubs

A registered club must keep or cause to be kept a written record with respect to the awarding or payment of each prize and the payment of short-pay of an approved gaming machine kept on the club premises (other than monetary payments released directly by the gaming machine or prizes awarded or paid by way of redemption of a gaming machine ticket within the meaning of Part 7) that contains the following particulars--

- (a) the date of the award or payment,
- (b) the serial number of the gaming machine in respect of which the award or payment was made,
- (c) the number of credits accumulated that are to be redeemed,
- (d) the amount of the prize, the value of the credits or the amount of the short-pay,
- (e) the name and signature of the person to whom the award or payment was made,
- (f) the name and signature of an employee or person authorised by the club certifying that the employee or person has sighted the number of credits and that the record made in accordance with this clause is correct in all details.

Maximum penalty--50 penalty units.

Clause 15 Clubs required to record certain information in relation to gaming machines

(1) A registered club must ensure that the requirements of this clause are complied with to the extent that they apply to the club.

Maximum penalty--50 penalty units.

(2) A registered club must, at monthly intervals, record the following information in respect of each approved gaming machine kept on the club premises--

- (a) a cash flow analysis,
- (b) a comparison of cancelled credit meter readings with the corresponding entries in the club's payout sheets,
- (c) a comparison of the money out meter reading (in the case of an approved gaming machine that issues gaming machine tickets by means of equipment subsidiary to the gaming machine), or the cancelled credits payments meter reading (in the case of an approved gaming machine that issues gaming machine tickets otherwise than by means of subsidiary equipment), with the total of--
 - (i) the value of the gaming machine tickets issued from the gaming machine, being gaming machine tickets that have been redeemed, and
 - (ii) the value of the unclaimed gaming machine tickets issued from the gaming machine.

(3) The cash flow analysis must be in or to the effect of a form approved by the Secretary.

(4) The information contained in a record referred to in subclause (2) must be reported to the club's board or committee at monthly intervals.

(5) If a meter of an approved gaming machine kept on the premises of a registered club ceases to function or malfunctions, the club must cause it to be removed from play immediately and cause a notice to be attached to it indicating that it is faulty.

(6) In this clause,

"gaming machine ticket" and

"unclaimed gaming machine ticket" have the same meanings as they have in Part 7.

Clause 26 Payment of prize money by cheque or electronic funds transfer

(1) A hotelier or registered club must pay so much of the total prize money payable to a person as exceeds \$5,000--

(a) by means of a crossed cheque payable to the person, or

(b) if the person so requests, by means of electronic funds transfer (if those means are available to the hotelier or club) to an account nominated by the person.

Maximum penalty--50 penalty units.

(2) If the total prize money payable to a person exceeds \$5,000, a hotelier or registered club must, if the person so requests, pay the whole of the total prize money in the same manner as is required under subclause (1).

Maximum penalty--50 penalty units.

(3) In this clause--

"account" means an account with a financial institution.

"crossed cheque" means a cheque crossed as referred to in section 53 of the Cheques Act 1986 of the Commonwealth.

"total prize money" means the total monetary value of credits displayed on an approved gaming machine at the end of a session of play on that machine. To avoid doubt, the total monetary value of credits is not subject to any deduction for the value of money inserted into the machine by the player.

Clause 43 Requirement to keep record or copy of player activity statement

A hotelier or registered club must keep a record or copy of any player activity statement made available by the hotelier or club (whether or not provided under section 45(4) of the Act).

Maximum penalty--50 penalty units.

(Clauses 92 & 95-98 applies to clubs with “card based” cashless systems installed)

Clause 92 Issuing of player cards

(1) A player card must not be issued to a person who is under the age of 18 years.

(2) A player card must not be issued to a person unless the person provides a responsible person for the hotel or registered club with documentary proof of the person's identity.

(3) Only one player card per person may be issued by a hotelier or registered club. However, this subclause does not prevent a hotelier or club from issuing a person with another player card as a replacement for one that has been lost, stolen or destroyed.

(4) A hotelier or registered club must not issue a player card to a person unless the warning and information contained in the notices referred to in clause 22 are provided to the person.

Clause 95 Maximum amount held in player accounts or stored on Smartcards

The amount of money that can be held in a player account or stored on a Smartcard must not exceed \$5,000.

Clause 96 Transaction records--player accounts

(1) A transaction record must be provided on each occasion any money is paid into or withdrawn from a player account.

(2) The transaction record must include the following information--

- (a) the type of transaction completed,
- (b) the amount of money involved,
- (c) the time and date of the transaction,
- (d) the current balance in the player account.

(3) Subclause (2) does not limit the information that may be included in a transaction record.

Clause 97 Player activity statements--player accounts

(1) Information to the effect that player activity statements are available on request must--

- (a) be given to each person at the time the person is issued with a player card, and
- (b) be included in any promotional material displayed in the hotel or registered club in relation to electronic payment gaming machines.

(2) A player activity statement must, on the request of a person who has a player account with a hotelier or registered club, be provided by the hotelier or club on a monthly basis.

(3) The following information, provided in the form approved by the Authority, is the minimum information that must be included in a player activity statement for the period covered by the statement--

- (a) the total amount of turnover by the player during the monthly period covered by the statement,
- (b) the total wins recorded during the monthly period,
- (c) the net expenditure (ie turnover less wins) during the monthly period,
- (d) the total length of time over each 24-hour period during the monthly period when the person's player card was inserted in electronic payment gaming machines in the hotel or on the club premises (the "daily record"),
- (e) the total length of time that the person's player card was inserted in electronic payment gaming machines in the hotel or on the club premises during the monthly period.

(4) In addition to subclause (3), the following information in relation to the period covered by a player activity statement must be kept by the hotelier or registered club and be provided to the player on request--

- (a) a list of each transaction involving the depositing of money into the player account at the cashier,
- (b) a list of each transaction involving the paying of credits into the player account as a result of playing electronic payment gaming machines,
- (c) a list of each transaction involving the withdrawal of money from the player account at the cashier.

(5) The daily record is required to be included in the player activity statement only in respect of those days that the person's player card was used.

(6) A player activity statement is to also include a note stating that the information detailed in the statement--

- (a) only relates to the occasions on which the player used the player account to play an electronic payment gaming machine, and
- (b) does not necessarily relate to all of the player's gaming machine activity during the monthly period, and
- (c) may not include information about wins from playing gaming machines that are part of a linked gaming system within the meaning of Part 10 of the Act.

(7) A player activity statement, if requested to be provided, is to be made available from the cashier or other appropriate outlet at the hotel or club concerned.

(8) A player activity statement is to be provided in respect of a monthly period only if the player account has actually been used during that period.

(9) Player activity statements must be provided free of charge by the hotelier or registered club.

Clause 98 Requirement to keep record or copy of player activity statement under this Part

A hotelier or registered club must keep a record or copy of any player activity statement made available by the hotelier or club under this Part.

Maximum penalty--50 penalty units.

(Clauses 109, 112, 113, 114 & 115 apply to clubs with “ticket out” systems installed)

Clause 104 Records of gaming machine tickets issued

(1) The approved gaming machine (or subsidiary equipment) from which a gaming machine ticket is issued must keep a record of the following--

- (a) the gaming machine identification number issued by the Authority in respect of that gaming machine,
- (b) the unique identification number of the gaming machine ticket,
- (c) the value, in dollars and cents, of the accumulated credits represented by the gaming machine ticket,
- (d) the date and time of issue of the gaming machine ticket.

(2) A gaming machine ticket must include the following information--

- (a) the name of the hotel or registered club issuing the ticket,
- (b) the information contained in the notice referred to in clause 22(1)(b).

Clause 107 Records to be made on redemption

(1) A hotelier or registered club must cause a record to be made in accordance with this clause when a gaming machine ticket is redeemed.

(2) The record--

- (a) must contain the name, address and signature of the person claiming in respect of the ticket, and
- (b) must specify the nature and identifying numbers or letters of the documentary proof of identity produced by that person, and
- (c) must specify the time and date of the redemption, and
- (d) must contain the name and signature of the person who redeems the ticket.

(3) However, if a gaming machine ticket is redeemed on the day on which it was issued or on the next day--

- (a) a record is not required to be made under this clause unless the total value of the accumulated credits represented by the ticket exceeds \$5,000, and
- (b) documentary proof of the identity of the claimant is not required.

Clause 110 Records and other material

(1) A record required by this Part must be in a form approved by the Authority.

(2) Gaming machine tickets that have been redeemed on presentation are taken to be records for the purposes of this Regulation and are required to be kept by the hotelier or registered club concerned.

(3) Any such records and gaming machine tickets must be made available for inspection by an inspector during the period that they are required to be retained by the hotelier or club.

Note : Section 11(2) of the Electronic Transactions Act 2000 allows for hard copy documents that are required to be retained for a particular period to be retained in electronic format in certain circumstances.

Clause 143 General requirement for records to be kept for 3 years

(1) A person who is required by the Act or this Regulation to keep a record must keep the record for a period of at least 3 years after it is made and provide for its safe keeping throughout that time.

Maximum penalty--20 penalty units.

(2) A person who is the holder of a gaming-related licence or a hotelier must keep any records relating to the person's business (in so far as the person's business relates to approved gaming machines) at--

(a) the person's business premises, or

(b) if the person is a seller who is an employee of a dealer, at the person's business premises or dealer's business premises, or

(c) at any other place that the Authority approves.

Maximum penalty--20 penalty units.

(3) Subclause (1) does not apply to the keeping of a record under a provision of this Regulation that provides for the record to be kept for a different period.

Note : Section 11(2) of the Electronic Transactions Act 2000 allows for hard copy documents that are required to be retained for a particular period to be retained in electronic format in certain circumstances.

Appendix T – AUSTRAC Money Laundering Examples

Criminals launder illicit funds through larger clubs

Organised crime syndicates may target larger club environments to launder the proceeds of crime. Several members of a syndicate may target a club. Each individual in the syndicate will insert cash into an EGM, allowing funds for game-play to build up and then, after only minimal game-play, will credit out the unused money.

Then that individual goes to the cashier to redeem the unused credit value as a cheque. The syndicate members often request the cheque to be drawn in the name of a third party. The syndicates can exploit larger clubs that have no central oversight of prize payouts or credit redemptions paid by cheque. Many larger clubs may have several cashier booths where prize or credit payouts can be redeemed. Syndicate members will avoid detection by redeeming unused credits at alternative cashier booths and/or from different cashiers after shift-changes.

In this example, the money laundering indicators may include:

- individuals crediting-out unused credits with minimal or no game-play to redeem a cheque. This indicator is equally applicable to any hotel or club with EGMs
- individuals redeeming cheques for unused credits through multiple cashiers individuals requesting cheques to be drawn in the name of third parties
- a customer refuses, or is reluctant to, produce identification upon request
- a customer's level of gaming activity is inconsistent with the profile of the customer (for example, the customer receives welfare benefits but gambles or carries substantial amounts of cash).

EGMs used to facilitate tax evasion

People who work in cash-based industries, or who are often paid in cash for their services, may use EGMs to facilitate tax evasion. They insert cash into EGMs and with little or no legitimate game-play, then credit-out the value from the EGM and collect a cheque payment for the value credited-out. The cheque, which constitutes a prize or credit payout, is then claimed not to form part of their taxable income. So the person effectively avoided paying any tax on what otherwise must be declared as taxable income.

In this example, the money laundering indicators may include:

- individuals crediting-out unused credits with minimal or no game-play to redeem a cheque
- multiple cheques paid to the same individual on a regular basis
- customer claiming a high-level of gaming machine payouts.

EGMs used to replace lower cash denominations for higher cash denominations

Organised criminal syndicates may have large amounts of illicit cash, and they prefer to maintain that cash in large denominations, for ease of concealment and portability.

Smaller denomination notes are fed into the bill feeders of EGMs. Credits for game-play are allowed to build up and then, after only minimal game-play, the unused credits are cashed out. The payout of these unused credits is specifically requested in large denomination notes.

In this example, the money laundering indicators may include:

- individuals cashing out unused credits with minimal game-play and specifically requesting the payout in high denomination notes
- customers attend 'ticket in/cash out (TICO)' kiosks more frequently than usual
- individuals carrying large sums of cash at gaming venues.

Money launderers purchase prize payout vouchers at a premium

Money launderers approach customers with EGM prize payout vouchers and offer to purchase these at a cash premium. The legitimate winner benefits from the cash premium and the launderer presents the winning prize payout voucher to the club or hotel to obtain a cheque, which can then be deposited into a bank account under the guise of legitimate winnings.

In this example, the money laundering indicators may include:

- customers loitering in the gaming area with no obvious intention of engaging in game-play
- customers offering to purchase gaming machine prize payout vouchers from other customers
- individuals claiming prize payouts by cheque more frequently than usual
- customer claiming multiple payouts on the same and/or successive days.

Collusion of cashier staff with money launderers

Money launderers prefer to remain anonymous to avoid prosecution if their illegal activity is detected. Money laundering syndicates have been known to collude with staff of hotels and clubs to launder their illicit funds. Criminals or money launderers are most likely to collude with cashiers responsible for making prize or credit payouts. This allows them to withdraw credit from EGMs and then collect the cheque payments without having their correct details recorded, as required under most state and territory gaming legislation. They subsequently avoid accurate detection.

In this example, the money laundering indicators may include:

- individuals withdrawing unused credits with minimal game-play to redeem a cheque
- cashiers pay out an unusually high amount of cheques
- venue staff not undertaking KYC requirements
- over-familiarisation between venue staff and gaming patrons.

The indicators are examples – and do not cover all possibilities – to help identify potential money laundering and other serious and organised criminal activity. A single indicator does not necessarily indicate illicit activity; it should prompt further monitoring and examination. Multiple indicators should raise suspicion.

Examples obtained from the 'AUSTRAC AML/CTF compliance guide for hotels & clubs licensed to operate electronic gaming machines'.

Appendix U – Extracts from AUSTRAC Politically Exposed Persons Guidance Note

Politically Exposed Person means an individual:

- (1) who holds a prominent public position or function in a government body or an international organisation, including:
 - (a) Head of State or head of a country or government; or
 - (b) government minister or equivalent senior politician; or
 - (c) senior government official; or
 - (d) Judge of the High Court of Australia, the Federal Court of Australia or a Supreme Court of a State or Territory, or a Judge of a court of equivalent seniority in a foreign country or international organisation; or
 - (e) governor of a central bank or any other position that has comparable influence to the Governor of the Reserve Bank of Australia; or
 - (f) senior foreign representative, ambassador, or high commissioner; or
 - (g) high-ranking member of the armed forces; or board chair, chief executive, or chief financial officer of, or any other position that has comparable influence in, any State enterprise or international organisation; and
- (2) who is an immediate family member of a person referred to in paragraph (1), including:
 - (a) a spouse; or
 - (b) a de facto partner; or
 - (c) a child and a child's spouse or de facto partner; or
 - (d) a parent; and
- (3) who is a close associate of a person referred to in paragraph (1), which means any individual who is known (having regard to information that is public or readily available) to have:
 - (a) joint beneficial ownership of a legal entity or legal arrangement with a person referred to in paragraph (1); or
 - (b) sole beneficial ownership of a legal entity or legal arrangement that is known to exist for the benefit of a person described in paragraph (1).
- (4) In these Rules:
 - (a) domestic politically exposed person means a politically exposed person of an Australian government body;
 - (b) foreign politically exposed person means a politically exposed person of a government body of a foreign country;
 - (c) international organisation politically exposed person means a politically exposed person of an international organisation.
- (5) In this definition international organisation means an organisation:
 - (a) established by formal political agreement by two or more countries and that agreement has the status of an international treaty; and
 - (b) recognised in the law of the countries which are members of the organisation.

Note: The term de facto partner is defined in the Acts Interpretation Act 1901 and the terms 'foreign country' and 'government body' are defined in the AML/CTF Act.

NOTES

- (1) A person who does not come into the specific list of PEPs should still be considered as a PEP by the Club if the person holds a public position or function in a government body or international organisation.
- (2) 'Source of wealth' refers to the origin of the PEP's total assets.
- (3) 'Source of funds' refers to the origin of the money that the PEP gambles at the Club.
- (4) Can the PEP's current income and sources of wealth and funds be explained from previous positions, business undertakings or family estates?
- (5) Information about the PEP's assets can be obtained from public sources of information such as a Register of Member's Interests which apply to politicians at the Commonwealth, state and territory levels in Australia.
- (6) The Commonwealth 'Statement of Registrable Interests', for example, requires the disclosure of information relating to shareholdings in public and private companies, family and business trusts, real estate, directorships, partnerships, liabilities, savings or investment accounts, bonds, debentures, substantial sources of income and any assets valued at over \$7,500.
- (7) The Club can also request information from the customer such as evidence of insurance payouts, bequests, gambling wins or asset sales.

KEY TERMS USED IN THE PEP DEFINITION

'Prominent public position or function'

This term relates to functions which may exist at the Commonwealth, state, territory or municipal levels or foreign equivalent. The meaning of 'prominent' may be determined through the size of the function in relation to the number of affected persons, the budget and relevant powers and responsibilities.

Examples include Heads of State or of government, senior politicians, senior government, judicial or military officials, senior executives of state-owned corporations, important party officials, or, in relation to international organisations, directors, deputy directors and members of the board or equivalent.

Such positions commonly hold specific powers in relation to approving government procurement processes, budgetary spending, development approvals and government subsidies and grants.

'Government body'

'government body' includes an agency or authority of the Commonwealth, state or territory and includes foreign government bodies.

The Government Online Directory provides details of government bodies at the Commonwealth, state and territory levels.

'International organisation'

'International organisations' are organisations established by formal political agreement between countries, where the agreement has the status of an international treaty, and the organisation is recognised in the law of the countries which are members.

These include the United Nations and affiliates such as the International Maritime Organisation; regional international organisations such as the Council of Europe, institutions of the European Union, the Organisation for Security and Co-operation in Europe, and the Organisation of American States; military international organisations such as the North

Atlantic Treaty Organisation; and economic organisations such as the World Trade Organisation.

'Government minister or equivalent senior politician'

Government minister:

In Australia, a government minister (at the Commonwealth, state or territory level) is an elected person who holds an executive office in the government and is responsible for administering one or more departments. A Parliamentary Secretary may be considered the equivalent of a minister.

For foreign PEPs, there may be situations where the government minister or equivalent is not an elected person but may be appointed directly by the government (for example, Cabinet Secretaries in the United States) with all the relevant or equivalent powers which ministers within Australia hold.

Equivalent senior politician:

The term 'equivalent senior politician' includes 'shadow' ministers in the opposition and will include persons such as the Leader of the Opposition and the leaders of parties in Parliament. At the local government level, Mayors and local councillors may be considered equivalent senior politicians.

In situations where the government does not have a clear majority and therefore relies upon members of other parties to pass legislation implementing its policies, politicians who would not fulfil the requirements of being ministers or have sufficient seniority, may be considered to fall within this category due to the power they have to influence the government of the day through the casting of their votes.

The 'ElectionGuide' website provides a worldwide overview of elections, including details of senior politicians.

'Senior government official'

These include the size of the function in relation to the number of affected persons, the budget and relevant powers and responsibilities, including the approval of government procurement processes, control over regulatory approvals including the awarding of licenses or concessions, budgetary spending and government subsidies and grants.

Reporting entities may also consider positions at lower levels if those persons are in roles that have powers and responsibilities which are equivalent or similar to those of senior government officials (for example a Chief Financial Officer and Chief Information Officer with significant procurement or other budgetary responsibility or oversight).

The roles of senior government officials in foreign countries may vary widely from those in Australia. The following may assist reporting entities in determining whether a person is a foreign senior government official.

Does the official have:

- substantial authority over or access to state assets and funds, policies and operations
- control over regulatory approvals
- control or influence over decisions that would effectively address identified shortcomings in the AML/CTF system of the country
- access, control or influence over government accounts?

Is the official involved in state industries such as:

- arms trade and defence industry

- banking and finance
- construction and large infrastructure
- government procurement
- mining and extraction
- provision of public goods and utilities?

‘Judge of a court of equivalent seniority in a foreign country or international organisation’

The PEP definition specifies courts of equivalent seniority to the High Court of Australia, the Federal Court of Australia or the Supreme Courts of a state or territory. Supreme courts are the highest court in the judicial hierarchy of each state or territory. The Federal Court covers almost all civil matters arising under Australian federal law, including some summary and indictable criminal matters. The High Court deals with cases which originate in the High Court and is the highest court of appeal in Australia on all legal matters.

For foreign country courts check whether the court is one of the superior courts within its relevant jurisdiction (such as a state or territory), or whether it is the highest within the country.

The PEP definition also refers to judges of ‘international organisations’. Not all international organisations will have judicial or similar functions; however, examples include the International Court of Justice and the European Union Court of Justice.

In these examples, the term ‘judge’ may not be used; however, their role (and therefore their title) may be the equivalent of a judge as those persons are required to determine matters through the application of a legal remedy.

‘Governor of a central bank or any other position that has comparable influence to the Governor of the Reserve Bank of Australia’

The Reserve Bank of Australia (RBA) is Australia’s ‘central bank’. The Governor of the RBA manages the bank and its operations.

Identifying the central bank of a foreign country and the position equivalent to the Governor of the RBA can usually be achieved by an internet search. For example, in the United States of America the central bank is the Federal Reserve, with the equivalent position being the Chairman of the Board of Governors. In the United Kingdom, the Bank of England is the central bank with the equivalent position being the Governor and in Indonesia, Bank Indonesia is the central bank and it is led by the Governor.

The Bank for International Settlements website provides a comprehensive overview of world central banks.

‘Senior foreign representative, ambassador or high commissioner’

The foreign postings of the Australian Government are categorised as:

- Ambassador – Head of an embassy which is the main representative office of one country in the capital city of another.
- High Commissioner – Head of the High Commission, a main representative office of a Commonwealth country in the capital city of another Commonwealth country.
- Consul-General – Head of the Consulate or Consulate-General, a lower level representative office, usually located in a city outside the capital city.
- Honorary Consul – Head of the Honorary Consulate. This is usually a private businessperson (usually an Australian citizen) who agrees to perform limited consular functions, in a city where Australia does not have an Australia-based representative.

With regard to the PEP definition, the postings relating to ‘Consul-General’ and ‘Honorary Consul’ may be characterised as ‘senior foreign representatives’.

Equivalent terms used by foreign countries include Head of Mission, Chief of Mission, Deputy Chief of Mission, Nuncio, Chargé d'affaires, Permanent Representative and minister plenipotentiary.

'High ranking member of the armed forces'

In Australia the 'armed forces' refer to the Australian Army, the Royal Australian Navy and the Royal Australian Air Force. However, foreign armed forces may vary regarding the services that exist.

In Australia the following may be considered to be 'high ranking' and are listed in descending order of seniority:

Australian Army:

- General
- Lieutenant General
- Major General

Royal Australian Navy:

- Admiral
- Vice Admiral
- Rear Admiral

Royal Australian Air Force:

- Air Chief Marshall
- Air Marshall
- Air Vice Marshall

'State enterprise'

In Australia, a 'state enterprise' is usually known as a government business enterprise (GBE) and may exist at the Commonwealth, state or territory level. It is characterised by the relevant Government controlling the body, the body being principally engaged in commercial activities, and the body having a legal personality separate to a department of government. It may be a body corporate established by legislation for a public purpose (state-owned or statutory corporations), or a company established under corporations law in which a state or territory government has a controlling interest.

Examples of current Commonwealth GBEs are ASC Pty Limited (formerly known as Australian Submarine Corporation), Australian Postal Corporation, Australian Rail Track Corporation Limited, Defence Housing Australia, and NBN Co Ltd. Details about Commonwealth GBEs may be accessed at the Department of Finance's website.

The Australian Government Organisations Register is produced by the Department of Finance.

In foreign countries, GBEs may be known as a crown corporation, government-owned corporation, state-owned company, state-owned entity, state enterprise, commercial government agency or public sector undertaking.

As noted in the PEP definition, a PEP in such organisations is the board chair, chief executive, chief financial officer or any other position which has comparable influence in the organisation.

'Immediate family member and close associate'

Family members and close associates of PEPs should be treated as PEPs because of the potential for abuse of the relationship for the purpose of moving the proceeds of crime, or facilitating their placement and disguise, as well as for terrorism financing purposes. For the

assessment of risk by the reporting entity, it is the identified links between the PEP and the close associate and/or family member which will determine the level of risk.

The close associate category does not purport to capture any person who has been associated with a PEP, such as friends or colleagues. A close associate is an individual who is known (having regard to information that is public or readily available) to have joint beneficial ownership of a legal entity (for example, a company) or legal arrangement (for example, a trust) with the PEP, or sole beneficial ownership of a legal entity or legal arrangement that is known to exist for the benefit of the PEP. This describes close business cooperation which may be involved in or facilitate any dealings with funds, and where the source of those funds may be a legitimate question.

The PEP definition specifies that an immediate family member includes a spouse, a de facto partner, a child and a child's spouse or de facto partner, and a parent.

The definition of an immediate family member is inclusive and therefore is not limited to the relationships specified. However, the list indicates what is captured by the term 'immediate family member' and will be informed by what information is public or readily available about the PEP. For example, it may be known that a particular PEP has a history of dealings with a sibling, and a reporting entity may therefore consider that a sibling relationship is sufficiently 'immediate' to fall within the term, even though not specifically included in the definition.

When does a PEP stop being a politically exposed person?

Once a person no longer holds the prominent public position, they are no longer considered a PEP. However, a reporting entity should continue to apply a risk-based approach to determine whether an existing customer who is no longer a PEP should continue to be treated as a high-risk customer.

Appendix V – Politically Exposed Persons Questionnaire

As a result of recent changes to the Club's AML/CTF obligations the Club is required to conduct screening on patrons who may be politically exposed persons (PEPs).

In order to conduct this screening the Club needs to first determine whether any patrons may fall within the definition of a PEP.

To assist the Club with this process we ask that you complete the questionnaire below and return it to the Club's AML/CTF Compliance Officer as soon as possible.

Are you aware of any patrons in which the following criteria may apply?

Part 1: Any patron who holds a prominent public position or function in a government body or an international organisation, including:

- | | |
|--|-------|
| 1. Head of state or head of a country or government | Y / N |
| 2. Government minister or equivalent senior politician | Y / N |
| 3. Senior government official | Y / N |
| 4. Judge of the High Court of Australia, the Federal Court of Australia or a Supreme Court of a State or Territory, or a Judge of a court of equivalent seniority in a foreign country or international organisation | Y / N |
| 5. Governor of a central bank or any other position that has comparable influence to the Governor of the Reserve Bank of Australia | Y / N |
| 6. Senior foreign representative, ambassador, or high commissioner | Y / N |
| 7. High-ranking military, including major general, rear admiral, air vice marshal | Y / N |
| 8. Board chair, chief executive, or chief financial officer of, or any other position that has comparable influence in, any State enterprise or international organisation | Y / N |

Part 2: Any patron who is an immediate family member of a person referred in Part 1, including a:

- | | |
|---|-------|
| 1. Spouse | Y / N |
| 2. De facto partner | Y / N |
| 3. Child and a child's spouse or de facto partner | Y / N |
| 4. Parent | Y / N |

Part 3: Any patron who is a close associate of a person referred to in Part 1, which means any individual who is known (having regard to information that is public or readily available) to have:

- | | |
|---|-------|
| 1. Joint ownership of a legal entity (e.g. a company) or legal arrangement with a person referred to in Part 1 | Y / N |
| 2. Ownership of a legal entity (e.g. a company) or legal arrangement that is known to exist for the benefit of a person described in Part 1 | Y / N |

Part 4: If you selected Yes in relation to any question above please provide details (e.g. names or descriptions) of these patrons

1. _____
2. _____
3. _____

Your Signature: _____

Date: _____

Your Name: _____

Your Position: _____

Appendix W – Suspicious Matter Report Quick Guide



Quick guide Suspicious Matter Report (SMR)

! Your reporting obligation

Under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (AML/CTF Act), you must provide a report to AUSTRAC when you form a suspicion on a matter that you suspect may be related to an offence.

! Why reporting is important

The objectives of the AML/CTF Act strongly focus on Australia's commitment to fulfil its international obligations to combat money laundering and terrorism financing. The greater the quality, accuracy and timeliness of these reports, the greater the value they have for the detection, deterrence and disruption of criminal and terrorist activity.

! Tipping off

The SMR is subject to 'tipping off' provisions. This makes it an offence for a reporting entity, or an employee of a reporting entity, to let another person or organisation know that a SMR has been reported to AUSTRAC, or that a reportable suspicion has been formed regarding a particular matter.

STOP Does the matter relate to a designated service?

An SMR can only be lodged if the matter relates to designated service(s) as defined in the AML/CTF Act, whether this is provided, requested or enquired about.

Is the suspicion related to an offence?

It is extremely important that you be able to relate the suspicious matter to one of the offences listed :

- ☐ financing of terrorism
- ☐ money laundering
- ☐ offence against a Commonwealth, state, or territory law
- ☐ proceeds of crime
- ☐ tax evasion
- ☐ a person/agent is not who they claim to be.

➔ Submission

From the time of having formed a suspicion an SMR must be given to the AUSTRAC Chief Executive Officer:

- within **24 hours** if the suspicion is related to the offence of **financing of terrorism**
- within **three business days** if the suspicion is related to money laundering or other offences listed.

? Help

Full question-by-question instructions are available in the AUSTRAC publication '**A guide to making a Suspicious Matter Report (SMR)**' which can be downloaded from AUSTRAC Online: www.austrac.gov.au/online.

Descriptions of designated services can be found in 'A guide to making a Suspicious Matter Report (SMR)' or on the 'Designated services/international currency codes' quick guide.

If you need further assistance please contact the **AUSTRAC Help Desk** on **1300 021 037** or email help_desk@austrac.gov.au.

✓ Checklist

- ☐ Have you completed as much of this report as possible?
- ☐ Have you related the suspicious matter to a designated service, as listed in question 1, and have you specified a reason for forming a suspicion, as listed in question 2?
- ☐ Have you described in your own words and in as much detail as possible in question 3 the nature and circumstances surrounding the matter? If your grounds for suspicion required you to write a separate statement, ensure that you have noted this in the space provided in the report form and attached this statement to the report.
- ☐ Have you answered question 60, and related the suspicious matter to one of the offences listed?
- ☐ Have you written a description wherever you have answered 'Other'?
- ☐ Have you provided your details as the person completing this report in question 67, and have you signed and dated the report in question 68?

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Quick guide

Suspicious Matter Report (SMR)



Persons/organisations related to the suspicious matter

Part C records the details of the persons or organisations to which the suspicious matter relates.

- ☐ For an individual, write all given names and family name. For a non-individual write the full legal name of the organisation. Avoid using initials where full names are available.
- ☐ Ensure that you provide a physical address if known, where the person can be contacted, not just a postal address.
- ☐ The person may have provided more than one phone number. Write the number that is known to be the most reliable contact for this person or organisation.
- ☐ You must provide the account details if the account is related to the suspicious matter that is being reported, and you know these account details.

Part D records the details of any other party involved in the suspicious matter. The term 'any other party' can include:

- ☐ other persons or organisations about which the same suspicion relating to the matter has been formed
- ☐ any other person or organisation that may be involved in the matter, for example an identifiable person or organisation that may be the target of an offence related to the suspicious matter, and who you may have named in your statement for question 3.

Part E is to describe any person(s) whose identity could not be established and describe any documentation held on the person, e.g. a video, photograph, application form etc. Information that may assist in descriptions of the persons include:

- | | |
|---|---|
| <input type="checkbox"/> gender and age group | <input type="checkbox"/> voice (gruff, accents, speech impediments) |
| <input type="checkbox"/> height (tall, short, average) | <input type="checkbox"/> clothing, shoes, jewellery and accessories (handbags or ringtones) |
| <input type="checkbox"/> ethnicity or cultural appearance | <input type="checkbox"/> body markings, piercings or scars |
| <input type="checkbox"/> build (slim, stocky, overweight) | <input type="checkbox"/> style of walking (limp, strut, unusual gait) |
| <input type="checkbox"/> hair (curly, blond, receding) | <input type="checkbox"/> smells (petrol, perfumes, alcohol, food) |
| <input type="checkbox"/> facial features (broken nose, acne, glasses) | <input type="checkbox"/> emotional and mental state (agitated, composed, frightened). |



Transactions related to the suspicious matter

Part F requires you or your organisation to record the details of each transaction that is related to the suspicious matter.

- ☐ A list of transaction types and their descriptions are shown in Appendix 2 in the AUSTAC publication 'A guide to making a Suspicious Matter Report (SMR)' which can be downloaded from AUSTAC Online. If the descriptions in Appendix 2 do not reflect the type of transaction that occurred, describe in your own words the type of transaction undertaken.
- ☐ The term cash refers to physical currency. This means the coin and printed money of Australia, or of a foreign country, that is designated as legal tender, circulates as and is customarily used and accepted as medium of exchange in the country of issue.
- ☐ SENDER/DRAWER/ISSUER information requires details about the **source** of the funds in the transaction/s.
- ☐ PAYEE/BENEFICIARY information requires details about the **destination** of the funds in the transaction/s.
- ☐ You or your organisation are required to record the details of each transaction that is related to the suspicious matter. Details of additional transactions can be recorded in the TRANSACTION 2 section.

Part G is to outline the most likely offence that the matter relates to and to indicate any other associated reports.

- ☐ Provide the most likely offence to which the suspicious matter relates.
- ☐ If you suspect that the matter could have a high risk of a person evading law enforcement agencies or poses a high threat of an offence being committed do not delay in lodging your report.
- ☐ Even in the event that you or your organisation intend to investigate the matter more thoroughly it is preferable that you submit the SMR to AUSTAC immediately so that it can be acted upon promptly. A follow-up SMR can be submitted with the details of this report being identified in the follow-up SMR using question 61.
- ☐ If you are referring to previously submitted SMRs, you should remember that completed SMRs are treated as containing in-confidence information. This means that you and your organisation should store and use the information and references to completed SMRs with due care. The contents of completed reports should not be made available to anyone unless they have a role that is responsible for SMRs within your organisation.

Appendix X – Tipping Off Quick Guide



WHAT IS A REGULATORY QUICK GUIDE?

A quick guide gives regulated businesses a brief snapshot of an AML/CTF compliance topic, to help you make sure you are meeting your obligations and protecting your business and the community from serious and organised crime.

Tipping off

Suspicious matter reports (SMRs) are crucial in combatting money laundering, terrorism financing, and other serious crimes. It's important that you don't disclose any information about an SMR, or infer that you have submitted or will submit an SMR. This is called 'tipping off', and is a criminal offence.

It's important to remember that a suspicion by itself doesn't mean the customer is guilty of a criminal offence, and SMRs can be submitted to AUSTRAC even when a customer has not engaged in any wrongdoing.

You must not disclose any information about an SMR, or do anything which could reasonably infer that you have submitted an SMR or are required to submit an SMR about one of your customers, except for certain limited circumstances.

Penalties for tipping off can include up to two years jail and/

or a fine of up to 120 penalty units.

The tipping off offence helps to:

- protect the reputation of the customer who is the subject of an SMR
- ensure that the identity of anyone submitting an SMR remains confidential
- ensure that law enforcement investigations are not compromised by the release of information about SMRs.

Example: Dealing with suspicious activity without tipping off

Reza attends a bank branch to make a cash deposit of \$18,000 into his account. In accordance with the bank's AML/CTF procedures, the teller asks Reza about the source of funds.

Reza explains that the funds are from a motor vehicle insurance payout.

The teller is suspicious about this response, however makes sure not to indicate this to Reza in any way and accepts the deposit. The transaction triggers an alert to the attention of the bank's AML/CTF compliance area. In addition, the teller provides the bank's AML/CTF compliance area with relevant information including her observations of Reza during the transaction.

This will allow the bank's AML/CTF compliance area to undertake a more detailed review and if appropriate provide an SMR to AUSTRAC and undertake enhanced customer due diligence. In addition, a threshold transaction report is provided to AUSTRAC.



REGULATORY QUICK GUIDE

Checklist to avoid tipping off:

- ✓ Don't disclose or do anything that could reasonably infer that you have submitted or will submit an SMR to AUSTRAC.
- ✓ Don't tell the customer that you are suspicious of their behaviour or conduct.
- ✓ Be discreet when making enquiries about the customer.
- ✓ Follow your AML/CTF program and procedures for dealing with suspicious customers.
- ✓ Don't disclose any information about a notice you've received to provide additional information.

Need more guidance?



This quick guide provides a brief overview of tipping off. For more detailed guidance go to austrac.gov.au/tipping-off.

Exceptions to the tipping off offence

Under reforms to the AML/CTF Act passed in December 2020, information from suspicious matter reports (SMRs) can be shared with an external auditor, or offshore members of the same corporate or designated business group that are regulated by equivalent AML/CTF laws.

There are also a number of other specific exceptions to the tipping off offence. Visit our website for more information.



Tipping off and your other obligations

Enhanced customer due diligence (ECDD)	Managing a customer relationship
<ul style="list-style-type: none">• The tipping off offence is not intended to prevent you from conducting ECDD after you form a suspicion.• Asking the customer for more information, including about their identity or the source or destination of their funds, is not considered 'tipping off'.• Be discreet, as it is important not to disclose any information about an SMR or that you will submit an SMR.• You are not required to perform ECDD if doing so would breach the tipping off offence. If carrying out certain ECDD measures would likely tip off the customer, apply other ECDD measures.	<ul style="list-style-type: none">• You don't need to stop communicating or providing a service to a customer you have submitted an SMR about• Follow your own risk-based systems and controls as documented in your anti-money laundering and counter-terrorism financing (AML/CTF) program. If you decide to end the business relationship, you must not tell the customer that you have submitted an SMR to AUSTRAC.• Informing your customer that you have ended the relationship is not considered tipping off, provided you do not imply that you have submitted an SMR, or intend submitting an SMR to AUSTRAC.

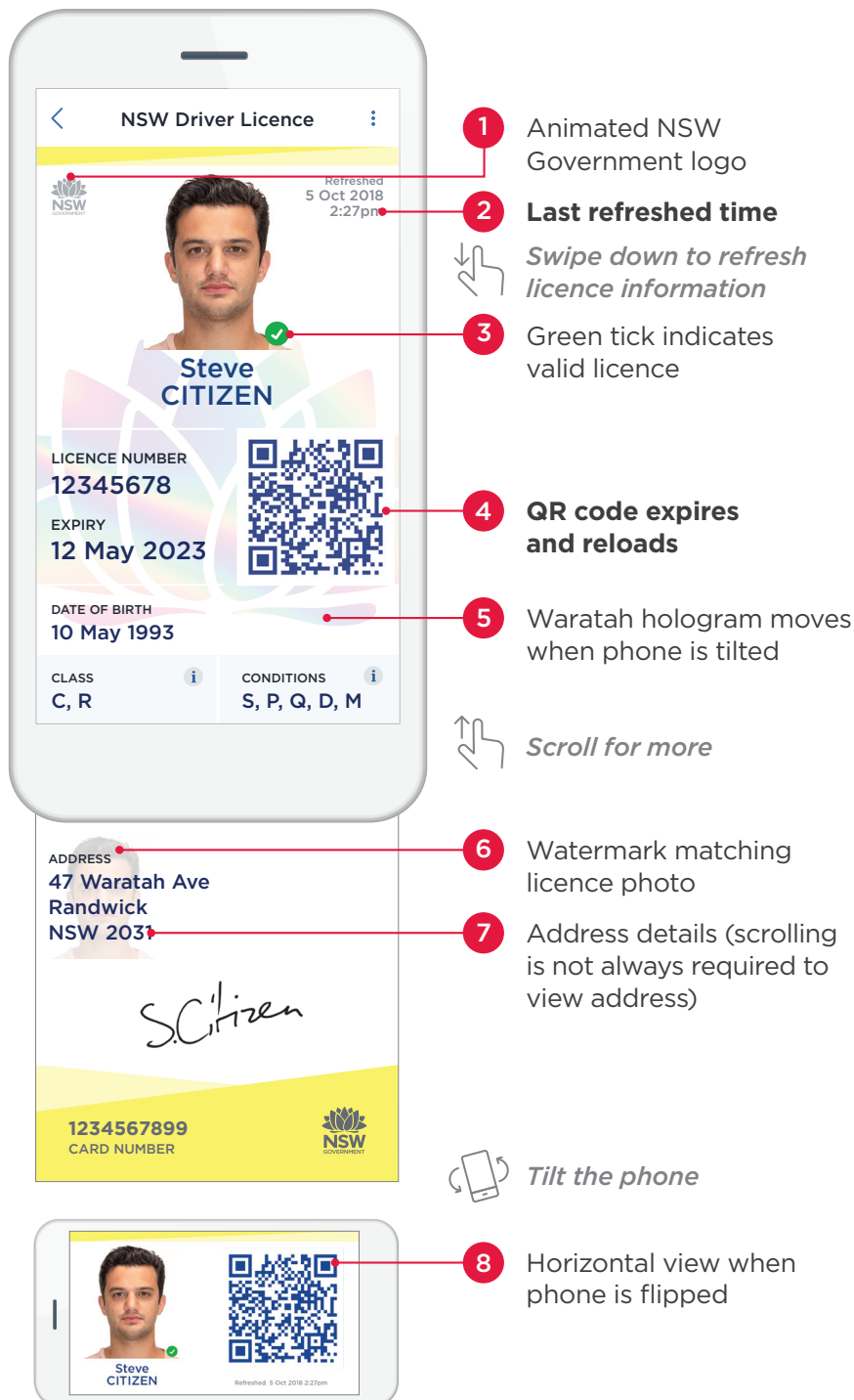
Appendix Y – How to Check the Digital Driver Licence

How to check the Digital Driver Licence



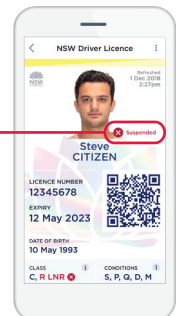
The Digital Driver Licence contains multiple features which confirm it is authentic and current, therefore reducing the risk of identity fraud.

To ensure you are viewing the most current licence information, ask the customer to swipe down to refresh their licence. You can also verify the licence by scanning the QR code (see reverse).



What happens to the Digital Driver Licence if a licence is suspended or cancelled?

A suspended licence will have a red cross and 'Suspended' on the status indicator.



A cancelled or disqualified licence will not be shown on the Service NSW app.

An expired licence will have a grey exclamation mark on the status indicator and the expiry date highlighted in red.



Important information

Avoid handling a customer's phone. If you have difficulty viewing or scanning ask the customer to adjust the phone to make checking easier.

If you have any concerns about the Digital Driver Licence you can either:

- ask for the plastic card
- follow industry or organisational protocol.

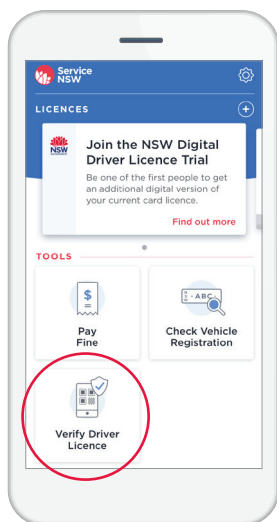
For more information

service.nsw.gov.au/digital-driver-licence

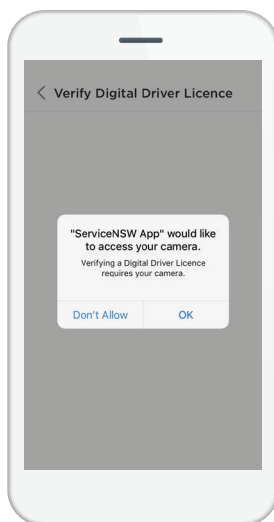
How to verify the Digital Driver Licence



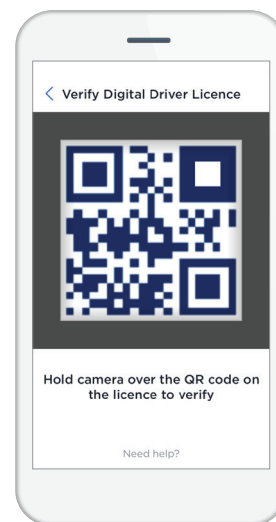
- 1 Download the Service NSW app on your smartphone. Open the app, select 'Verify Driver Licence' from the home screen.



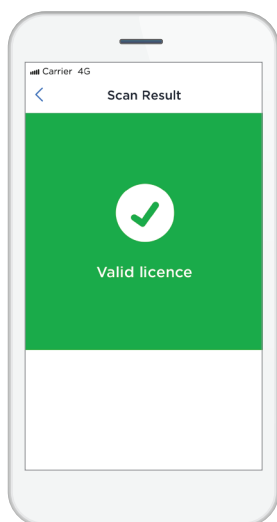
- 2 The app will ask to access your camera, tap 'OK'.



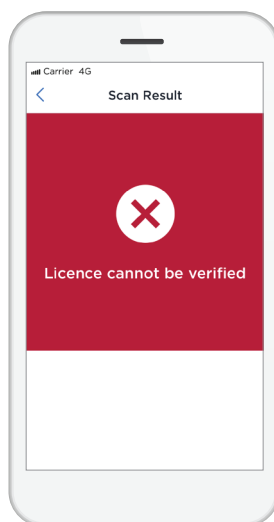
- 3 Focus the camera on the Digital Driver Licence QR code to scan.



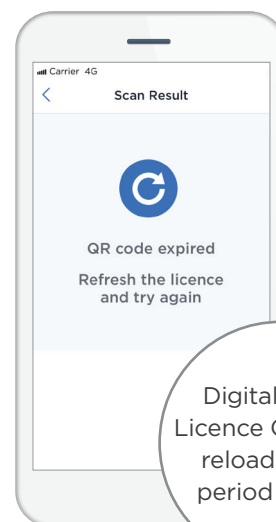
- 4 The scanner will verify the QR code token and provide a result, either:



OR



OR



Digital Driver Licence QR codes reload after a period of time

- 5 Tap the screen to scan again.

- 6 If in doubt about the Digital Driver Licence, ask for the plastic card.

For more information

service.nsw.gov.au/digital-driver-licence