

## AML-CTF POLICY AND PROCEDURE

<b>POLICY:</b>	AML/CTF	
<b>POLICY TITLE:</b>	ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING POLICY	
<b>DATE EFFECTIVE:</b>	25-11-2024	<b>REVISED:</b>
<b>APPROVED:</b>	Ian Wills	

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Ocean Shores Country Club is a reporting entity under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 because it provides designated gambling services.

As such, Ocean Shores Country Club has obligations to identify, mitigate and manage the money laundering and terrorism financing risks that may arise from the provision of designated gambling services by Ocean Shores Country Club, including customer identification and verification. This policy outlines procedures Ocean Shores Country Club has put in place to fulfil its obligations in this regard.

If you require any clarification on this policy, please contact an Ocean Shores Country Club management team member or the AML/CTF Compliance Officer.

### ***What is Money Laundering***

Money Laundering is the process of legitimising funds from illegal activities.

Criminals may generate large amounts of cash from arms deals to drug deals, for example. They want to use the money to protect their criminal activities and organisations. Therefore, they aim to distance the money from the crime by creating a financial trail so the money is seen to be legitimate.

The steps in money laundering are:

- 1. Placement-** where the bulk of the money is injected into the financial system by breaking up large amounts into smaller amounts (structuring), or by putting money into gaming machines (feeding money in, betting minimal amounts, then cashing out and getting winnings cheque) or giving to people in small amounts and putting into their bank accounts
- 2. Layering-** is a series of transactions designed to conceal the origin of the funds. It is difficult to track, for example, through overseas currency transactions, shelf companies, bullion dealers, or artwork that can be later sold.
- 3. Integration-** where the money comes back and appears clean, having come back through legitimate means, such as commingling with legitimate funds.

In Australia, it is estimated that the amount of money laundered annually is in excess of \$9 billion. A lot of this is from drugs and fraud.

### ***Terrorism Financing***

Defined as an act of providing financial support to terrorists or terrorist organizations to enable them to carry out terrorist acts, for example, education, accommodation, bombs, illegal charities, etc. These may be legitimate or illegal funds.

**Who are AUSTRAC?**

AUSTRAC aims to prevent money laundering and financing of terrorism. It is a financial terrorism unit that receives reports from the financial sector, bullion dealers, bookmakers, pubs, clubs, and casinos. The unit analyses the information and passes it on to law enforcement agencies, such as the AFP, Police, Customs, and Tax office.

**Ocean Shores Country Club Obligations**

People deemed “cash dealers” have reporting obligations to be compliant under the act. For example, people who provide gambling services when:

- Receiving a bet
- Paying out winnings
- Allowing a person to play a game in a gaming machine.
- Opening an account for purposes of gambling- eg TAB

**PART A – General**

**a) Identify the Risks**

Ocean Shores Country Club has identified the following designated gambling services that may inadvertently or otherwise be used for money laundering and terrorism financing activities:

- Receiving or accepting a bet placed or made by a person.
- Placing or making a bet on behalf of a person
- Paying out winnings in respect of a bet
- Allowing a person to play a game on a gaming machine.
- Paying out winnings or awarding a prize for a game played on a gaming machine.

Some risks associated with the above-designated services that Ocean Shores Country Club has identified include:

- Third party purchasing a prize payout entitlement (Eg: buying a gaming voucher or winning a TAB ticket off someone else who won it)
- Abnormal play (Eg: someone puts in a lot of money, plays for minimal time, cancels the credits and cashes out, then asks for a cheque for that amount of money. This could be an everyday occurrence. However, it could become suspicious if the person comes in several times a week or month. If the person brought in three friends who all did the same thing, it would definitely be suspicious).
- Inserting maximum cash/ credits or bets following a period of minimal play/ turnover
- Credit redemption (Eg: exchanging cash for prize-winning cheques or gaming machine tickets)
- Stolen or counterfeit money exchange (Eg: inserting stolen or counterfeit notes in gaming machines or betting with stolen or counterfeit notes and then redeeming them after minimal or no play)
- Staff collusion (Eg: employees working with launderers to ‘legitimise’ dirty money)
- Using fake ID to open TAB accounts

After considering all factors, a reasonable suspicion is formed that someone is using Ocean Shores Country Club gaming services to launder money gained by tax evasion, money laundering, terrorism, corporate crime, the process of crime, or other serious crimes.

**The above will become threshold transactions if the amount is \$10000 or more.**

However, smaller payments could be considered suspicious transactions should Ocean Shores Country Club have reasonable grounds to believe the payments may related to tax evasion, money laundering, terrorism crime, corporate crime, process of crime and other serious crime.

**b) Mitigate the Risks**

Ocean Shores Country Club will mitigate the risk of money laundering and terrorism financing activities through employee training, due diligence procedures, and appointment of an AML/ CTF Compliance Officer as follows:

***Employee Training***

Ocean Shores Country Club will ensure employees are appropriately trained in AML/CTF Act requirements, in particular in the following key areas:

- Awareness and reporting of 'suspicious activities' to the designated compliance officer
- Procedures under the Liquor Act regarding entry requirements (Eg: identification and sign-in procedures)
- Procedures under the Gaming Act and Wagering Act regarding the conduct of gaming/ wagering and payment of prizes (Eg: cash and cheque payments)
- Requirements of the AML/CTF Act regarding identification requirements applicable to threshold transactions
- General vigilance and commonsense approach in the detection of risk.

***Employee Due Diligence***

Ocean Shores Country Club will ensure appropriate employee due diligence, which involves reasonable background checks upon employment and reasonable behavioural monitoring during the term of employment of employees involved in the designated services who may be in a position to facilitate money laundering and terrorism financing activities, such as a background check.

***AML/ CTF Compliance Officer***

Ocean Shores Country Club has designated Ian Wills and Kathy Boyce as the AML/CTF Compliance Officers, whose role is to oversee that Ocean Shores Country Club complies with the requirements of the AML/CTF Act.

**c) Manage the Risks**

Ocean Shores Country Club has implemented the following measures to manage the risks of money laundering and terrorism financing activities occurring at Ocean Shores Country Club:

- Compliance commitment - Ocean Shores Country Club Managers and the designated AML/CTF Compliance Officer will ensure all procedures are adhered to in regard to combating actual or potential money laundering and terrorism financing risks at Ocean Shores Country Club.
- Ongoing oversight by Management – seeking regular updates from the Compliance Officer on the money laundering and terrorism financing risks or activities presenting at Ocean Shores Country Club and will require Ocean Shores Country Club to formulate appropriate policy responses to combat them. Management will exercise ongoing vigilance in this regard.
- Annual review - Ocean Shores Country Club will review the Compliance Program annually to ensure its currency and effectiveness.














**PART B- Customer Identification**

**Significant Cash Transaction**

Ocean Shores Country Club will require the following minimum identification in the event of a person involved in a threshold transaction (ie over \$10,000)

- Full name
- Date of birth
- Residential address

A

AML/CTF PAYOUTS REQUIRING CHEQUE OR EFT PAYMENT – CIP FORM					
<b>PATRON DETAILS:</b>					
Date	/ /	Time	AM / PM		
Patron Full Name					
Business/Residential Address (Not a PO Box)					
State:	Postcode:	Country:			
Phone/Contact Number #	Date of Birth (DD/MM/YYYY)				
To process the win, you must collect 30 points of identification – of the patron cannot provide 30 points you must NOT pay out the win and immediately notify your Compliance Officer/Duty Manager.					
<b>CATEGORY A – Primary Government Issued Photographic Identification – (only 1 required) 30 points per Document</b>					
 Drivers Licence – 30 Points <input type="checkbox"/> Doc No: _____ Exp Date: ____/____/____ Name, address & DOB match <input type="checkbox"/>	 Passport – 30 Points <input type="checkbox"/> Doc No: _____ Exp Date: ____/____/____ Name, address & DOB match <input type="checkbox"/>	 Govt. Proof of Age Card – 30 Points <input type="checkbox"/> Doc No: _____ Exp Date: ____/____/____ Name, address & DOB match <input type="checkbox"/>	 Immi Card – 30 Points <input type="checkbox"/> Doc No: _____ Exp Date: ____/____/____ Name, address & DOB match <input type="checkbox"/>	Note: <del>KeyPass</del> is not Government I.D.D and cannot be accepted.  Points Collected = <input type="text"/>	
<b>Category B – Secondary Government Issued Non-Photographic Identification (Minimum 2 required) 15 Points Per Document</b>					
 Centrelink Card – 15 Points <input type="checkbox"/> Doc No: _____ Exp Date: ____/____/____ Name, address & DOB match <input type="checkbox"/>	 Aust Citizen Certificate – 15 Points <input type="checkbox"/> Doc No: _____ Exp Date: ____/____/____ Name, address & DOB match <input type="checkbox"/>	 Birth Certificate – 15 Points <input type="checkbox"/> Doc No: _____ Exp Date: ____/____/____ Name, address & DOB match <input type="checkbox"/>	Note: You cannot except a Medicare Card or a Statutory Declaration!  Points Collected = <input type="text"/> +		
<b>Category C – Alternative Non-Photographic Identification (Collect 1 only &amp; must collect 1 of Category B documents first) 15 Points Per Document</b>					
 ATO Notice – 15 Points <input type="checkbox"/> Name and Address match <input type="checkbox"/>	 Local Govt. Notice – 15 Points <input type="checkbox"/> Name and address match <input type="checkbox"/>	 Utility Notice – 15 Points <input type="checkbox"/> Name and address match <input type="checkbox"/>	Note: only 1 document can be accepted from Category C. No Bank Statements  No Medicare Card No Statutory Declaration Points Collected = + <input type="text"/> = Max 15		
ID Photocopied <input type="checkbox"/>	Cheque/TITO Ticket/EFT Receipt photocopied <input type="checkbox"/>				
BSB: ACC: <input type="checkbox"/>	Cashier Name: _____				Compliance Officer Signature: _____
SM Reported to Compliance Officer (if any) <input type="checkbox"/>	Cashier Signature: _____				

Customer Identification Form must be completed, and identification must be verified before any form of payment is made.

**Suspicious Cash Transaction**

Ocean Shores Country Club will collect the above information using independent and reliable sources in the event of a person suspected of being involved in a Suspicious Threshold Transaction (ie over \$10,000):

- An original primary photographic identification document (Eg: driver’s license, passport, proof of age card that has a photograph)
- An original primary non-photographic identification documentation (Eg: birth certificate, citizen certificate, pension card)
- An original secondary identification document (Eg: government notice, utility notice)

Employees should also complete a Suspicious Matter Report noting the following items:

- Identification details eg membership file, verified by driver's license
- How long they have been coming to the club
- What is their gambling pattern? Has it changed significantly? When?
- What led to forming the suspicion? Why?
- Describe the activity
- Amount of the transaction/s
- CCTV footage if available

Should the customer refuse to provide the required information, Ocean Shores Country Club will withhold the designated services, including any payouts, until satisfactory identification is produced.

Ocean Shores Country Club will collect personal information in accordance with the Privacy Act 1988, irrespective of any exemption. While privacy laws allow a person to access and seek correction of the information held by Ocean Shores Country Club about him or her, the secrecy obligations under AML/ CTF override these obligations.

Ocean Shores Country Club will submit the Suspicious Matter Report within 3 days of the activity being identified or within 24 hours if it relates to terrorism financing.

#### ***AUSTRAC Reporting***

The AML/CTF Compliance Officer will provide any report required by Austrac in a timely manner. In addition, the Compliance Officer will report to Austrac on Threshold and Suspicious transactions.

For domestic currency, threshold transactions must be reported within 10 days, and suspicious transactions/activity must be reported within 3 days.

#### ***Record Keeping***

Ocean Shores Country Club will keep records of designated services, threshold or suspicious transactions, customer personal information, and any other relevant information for seven years.

These records will be kept securely at Ocean Shores Country Club and in a readily accessible format (hardcopy or electronic).