



# CCAV Club Assistance Pack

## AML/ CTF Programme

Disclaimer note: CCAV makes this Club Assistance Pack available to clubs on the understanding that the Pack does not provide for every circumstance in club operations, nor is it sensitive to the nuances of individual club environments. Nevertheless it is suitable as a basis for a club's AML/ CTF Programme.

While every attempt has been made to ensure the material is accurate, CCAV will not be responsible for errors or omissions, nor for any loss or liability arising from its use.

<b>Part A</b>	<b>Part B</b>
Identifying, managing and mitigating risk There are six elements of Part A, viz.,	Customer identification There two elements of Part B, viz.,
1. Systems to assess and manage risks	1. When and how to identify customers
2. Appointing a Compliance Officer	2. Reporting
3. Board/ CEO approval	
4. Training	
5. Employee due diligence	
6. Independent review	

**The purpose of this document** is to assist CCAV member clubs to comply with the requirements of the Anti-Money Laundering and Counter-Terrorism Financing (AML CTF) Act 2006 and its Rules by creating and maintaining an AML/ CTF programme in place (See Club obligations, below). Elements of the AML/ CTF Programme are shown in the table above and discussed and summarised in the body of the Assistance Pack below. While at first the AML/ CTF Programme for your club may seem complex, even overwhelming, you will see that the great majority of the requirements of the AML/ CTF Act and its Rules are in fact covered by Victorian gaming procedures, and so the programme can be based on good practice and common sense. In any case, there are resources aplenty for CCAV members, from CCAV directly, or from AUSTRAC online. We suggest all clubs visit and become familiar with the AUSTRAC site as a sure way remain current and reduce any pressure that may arise from reporting.

Using the document as it designed to be used is quite simple – all aspects of a club’s AML/ CTF Programme are identified, and responses to each element of the programme are suggested, based on current sound gaming management practice. It is important that, if using the Assistance Pack to develop your club’s programme, you consider each element separately, and make a response that is appropriate to your club’s particular circumstances.

Your club’s documented programme should be maintained in a location accessible to appropriate staff. Procedures dealing with risk issues should be documented clearly within the programme, and be made available to staff in a standard location. This action itself (having procedures in an accessible location) is an essential part of an effective risk-based programme.

## Some general background

From the mid-1980s, the Australian Government established control of the movement of cash and currency through the Financial Transactions Reporting (FTR) Act 1988. Financial Transaction Reports Act 1988

The Act provided for the reporting of certain transactions and transfers to the Australian Transaction Reports and Analysis Centre (AUSTRAC) and imposed certain obligations in relation to accounts, and for related purposes. The Act required cash dealers to report to AUSTRAC

- suspicious transactions
- cash transactions of A\$10,000 or more or the foreign currency equivalent
- international funds transfer instructions.

The FTR Act also required cash dealers to verify the identity of signatories to accounts, and also prohibited accounts being opened or operated in a false name. "Cash Dealers" included "casinos and gambling houses".

The legislation provided penalties for avoiding the reporting requirements and for persons who facilitate or assist in these activities.

The aim of the reporting and identification requirements, backed by penalties for offences, was to provide a strong deterrent to money launderers and facilitators of money laundering.

In fact, the low level of cash payments above \$10,000 meant that Clubs' normal activities seldom were affected by the provisions of the FTR Act.

This was to change. In the aftermath of the attacks by terrorists on the USA in September 2001, investigations established that the terrorists ability to plan and execute the crimes were greatly assisted by their capacity to gather, transfer, and distribute large sums of money between countries. Thus one of the ways authorities sought to prevent repetition of such crimes was to seek tighter controls over the movement of cash. This has been a world-wide effort, reflected in Australia by the AML/ CTF Act 2006 and the associated Rules. Over time, the AML/ CTF Act will replace and/ or take precedence over the FTR Act.

One effect of the greater focus on the movement of cash and securities in Australia has been the inclusion of more defined areas of possible money laundering/ illegal profiteering, including specifically clubs that operate gaming machines.

## **Club obligations**

Clubs, as reporting entities, have defined obligations:

- **Clubs must have in place and comply with a risk-based AML/ CTF programme**
- **Reporting requirements**
  - Reporting under the FTR Act applies until 12 December 2008; thereafter new provisions apply
- **Individual Clubs must complete a AML/ CTF Compliance Report and send it to AUSTRAC**
  - The first AML/ CTF compliance report was due 31 March 2008.

It is important to note that clubs may offer other “designated services” in addition to gambling services (e.g., money exchange, safety deposit boxes); in these cases the Club’s AML/ CTF programme should cover all designated services offered.



	<p>identification essential for quite small amounts.</p> <p>“Identity disguise” as above could also be used to wash stolen money; however Victorian payment procedures reduce this risk considerably.</p> <p><u>Use of stolen or counterfeit money to buy services</u></p>
<p>c. Considering the risks identified above, what is the degree of seriousness, or the likelihood of occurrence?</p> <p>RE-list the risks, and state the procedures in place that mitigate each risk, e.g., ...</p> <p><i>“1. Third party purchase of credits – Negligible risk, as all winnings over \$1000 must be paid by cheque. (Your club) policy ensures that cheques are paid to the owner of the credits (no third party cheques are issued). Cheques cannot be cashed in the club.”</i></p> <p>NOTE: The risks and your mitigating processes are not static, and so it is necessary to review them routinely. Where change in the risk profile</p>	<p>For each of the risks identified, consider the extent to which gaming procedures mitigate the risk. Using the number sequence, consider each risk separately, and consider –</p> <p>“Do I have procedures in place to manage and mitigate this risk?”.</p> <p>It is most likely that for each of the risks identified, your current gaming procedures manages and mitigates the risk to the point of its being negligible or slight.; however by considering each possible risk in turn (thus the suggestion of using a sequence to prevent omission) you can assure that ALL risks for ML/TF are understood.</p>

## **2. Appointing a Compliance Officer for AML/ CTF**

<p>The AML/ CTF Compliance Officer (CO) has responsibility for AML/ CTF programme/s for (your club). Record the following details</p> <p>Name of Compliance Officer:</p> <p>_____</p> <p>Appointed: (Date) _____</p>	<p>Some factors to consider in making the appointment:</p> <p>To be effective, the CO should have access to senior management and/ or the Board. She/ he should be fully conversant with AML/ CTF requirements for (your club) and (your club)'s programme. This may achieved by attending training (CCAV is happy to assist members with training), or by undertaking the online tutorials provided by AUSTRAC at AUSTRAC online.</p> <p>There is no mandated or AUSTRAC-approved training.</p>
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## **3. Board/ CEO approval**

<p>(Your club)'s AML/ CTF programme was approved by the Committee/ Board on date).</p> <p>The Committee/ Board reviews the programme as a standard item at Board meetings, or quarterly, or half-yearly.</p>	<p>This Club Assistance Pack may be used as the basis for your AML/ CTF Programme; however regardless of the final presentation of your Programme, it must be presented to a Committee/ Board Meeting for approval. Thereafter its oversight (apart from Independent Review – se Item 6 below) is at Committee/ Board discretion.</p> <p>As it easy to overlook non-standard items on busy agendas, you may care to include AML/ CTF Programme review as a standard agenda item. Given the low risk applicable to Victorian gaming clubs, it will not occupy a large amount of Committee/ Board time.</p>
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#### 4. Training

<p>a. (Your club)'s AML/ CTF Programme is underpinned by appropriate staff and management training. Records of attendance are maintained in a register held at (location in club).</p>	<p>Training of personnel is a key risk mitigating factor. Training therefore needs to be approached systematically to ensure neither individuals nor positions are overlooked. It is applicable to all 'heads', including part-time and casual staff. If you are providing training to employees, CCAV is happy to assist with checking that lesson content meets the needs set out below.</p> <p>Training covers</p> <ul style="list-style-type: none"> <li>a. General AML/ CTF awareness, which could be included as part of induction for new employees, by attending a training programme (CCAV is happy to assist members with training), or by completing the AUSTRAC e-learning module at AUSTRAC online.</li> <li>b. Training specific to the business. By referring to the risk assessments in 1 c above, it will be seen that this element will be picked up by gaming operations/ procedure training.</li> <li>c. Training specific to a position/ employee – the same considerations as for b. above.</li> </ul>
<p>b. Refresher training is scheduled for all staff</p> <p>Half-yearly, or</p> <p>Annually</p>	<p>As with initial and general training, there is no mandated approach; however to ensure this does not slip through the cracks, it is suggested that dates be promulgated and fixed well in advance, and that records for each employee's participation be maintained. The register referred in 4 a. is an obvious resource.</p>

## 5. Employee due diligence

<p>(Your club) exercises the following measures to ensure employees are not involved in ML/ TF activity</p> <ol style="list-style-type: none"> <li>a. All gaming staff are required to hold a current gaming employee’s licence, which is issued by the VCGR subject to police/ probity checks. As far as possible, all staff are employed under this condition.</li> <li>b. Where staff are employed without a gaming licence (e.g., kitchen or other duties), pre-employment assessment includes enquiry as to background. In making any appointment, the staff member’s background and its potential to increase ML/TF risk is assessed.</li> <li>c. Risks are re-assessed when staff are re-positioned or promoted.</li> <li>d. We have appropriate procedures to monitor staff performance relative to ML/ TF risk, and undertake corrective action on breaches of staff responsibilities.</li> </ol>	<p>The comments in the column opposite could, if implemented, form the basis of an effective employee due diligence programme.</p> <p>In general, normal prudent recruitment and staff supervision processes meet the requirements of this element.</p> <p>To check your recruitment procedures against best practice, please refer to the CCAV Human resources Manual, <b>available exclusively to CCAV members</b>. The Workforce Planning and Performance Development modules are particularly relevant.</p>
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## 6. Independent review

<p>a. (Your club)’s independent review of the AML/ CTF programme is undertaken</p> <ol style="list-style-type: none"> <li>i. (frequency – say, annually) by</li> <li>ii. _____ (name of reviewer)</li> </ol>	<p>The review may be conducted using internal or external resources. Most clubs will review annually, as the risks identified are negligible or low.</p> <p>The review covers whether Part A identifies and manages risk; whether it complies with AML/ CTF Rules, and whether your club has implemented the programme. It should be presented to the Committee/ Board.</p>
<p>b. Action arising from the review is recorded in the register held at _____.</p>	

### Part B

#### 1. When and how to identify customers

<p>(Your club) has effective procedures in place to verify customer id prior to making payments in excess of \$10,000, and in any circumstance that is regarded as suspicious. In these circumstances we require the member/ customer to provide</p> <p>Name</p> <p>Date of birth</p> <p>Residential address</p> <p>Furthermore, (your club) verifies information supplied by the member/ customer.</p>	<p>The comments in the column opposite could, if implemented, form the basis of an effective employee due diligence programme.</p> <p>Victorian Government regulations requiring payment of winnings and credits in excess of \$1,000 to be made by cheque keep clubs well ahead of the AML/ CTF Rules. You club should have a clear policy on winnings cheques including verifying identification. While many payments between \$1,000 and \$10,000 will be made to members whose details are known and recorded, some will be to guests, requiring that identification be provided and verified.</p> <p>Customer identification procedures are set out in a document provided by AUSTRAC at <a href="http://www.austrac.gov.au/cust_id_forms.html">www.austrac.gov.au/cust_id_forms.html</a></p> <p>A copy is attached for your information.</p>
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## 2. Reporting

Clubs must

- File a Compliance Report annually;
- Report otherwise to AUSTRAC from time to time as directed;
- Report **Suspicious Matters** to AUSTRAC
- Report **Threshold Transactions** to AUSTRAC

Compliance Report	Online at AUSTRAC <a href="http://www.austrac.gov.au/online">http://www.austrac.gov.au/online</a> ; and there is a very helpful User Guide at <a href="http://www.austrac.gov.au/files">http://www.austrac.gov.au/files</a>
<p>From December 12 2008, <b>Suspicious Matters</b> and <b>Threshold Transactions</b> must be reported. These reports, mandated under the AML/ CTF environment, are replacing the <i>Suspect Transaction Report</i> and <i>Significant Transaction Report</i> required under the FTR Act.</p> <p>Reports may be made online or on paper. Copies of the paper <i>pro forma</i> reports may be ordered from the AUSTRAC Help Desk, email <a href="mailto:help_desk@austrac.gov.au">help_desk@austrac.gov.au</a> or phone 1300 021 037</p> <p>Reports must be submitted within prescribed timeframes:</p> <p><b>Suspicious Matters</b> must be reported to AUSTRAC within three days after the suspicion is formed, <b>unless</b> potential terrorism financing is suspected. In this circumstance, the report must be submitted within 24 hours.</p> <p><b>Threshold Transactions</b> must be reported within 10 working days after the transaction took place.</p>	<p>The names of the new reports give clues to the changes in reporting they each represent - reporting is shifting from transaction view to an environment view.</p> <p>A Suspect Transaction Report is a record of a moment in time, whereas the <b>Suspicious Matters Report</b> shifts the emphasis from the transaction to consideration of the environment in which an event or a set of events occurred.</p> <p>Similarly, Significant Transactions become <b>Threshold Transactions</b>. A Significant Transaction relates to a single activity, while a Threshold Transaction is a reportable event/ activity that “opens the door” to further scrutiny</p> <p><b>Suspicious Matters</b> (in the AML/ CTF context) could be defined as</p> <ul style="list-style-type: none"> <li>• activities or occurrences that would lead one to suspect that illegal activity (money laundering) is taking place,; or</li> <li>• identity confusion, where the customer is not whom she/ he says she/ he is, or identity cannot be confirmed.</li> </ul> <p>Your procedures should contain escalation provisions, so that staff feedback about potentially suspicious matters are referred to an appropriate level of authority (e.g., your compliance officer) for further consideration.</p>

Att: Customer id procedures aml/ ctf

Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Act)

**Customer identification procedure (CIP) form - individuals**

This form may be used to verify the identity of a customer receiving a designated service (for example, a customer opening a bank account) under Part 7 of the AML/CTF Act and chapters 4 and 5 of the AML/CTF Rules). A reporting entity may choose whether or not

to use this procedure depending on the requirements of their AML/CTF program – Part B.

**IMPORTANT: This procedure may only be used where the relationship with the individual is deemed by the reporting entity to present a medium or lower money laundering or terrorism financing risk.** Other know your customer (KYC) information may need to be collected (refer section 2 below) if warranted by a customer's money laundering or terrorism financing risk.

**1. COLLECTION OF MINIMUM KYC INFORMATION**

**Full name of customer**

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**Date of birth** / /

day month year

**Residential address**

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number street name suburb state/territory country postcode

**Where the customer is a sole trader also collect:**

**Full business name (if any)**

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**Full business address (if any)**

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number street name suburb state/territory country postcode

**Australian Business Number**

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**2. COLLECTION OF ADDITIONAL KYC INFORMATION (where applicable)**

**Other information collected**

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**Other information collected**

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If more information is required to be collected, please attach to this record.

**3. VERIFICATION OF KYC INFORMATION (refer to instructions on the following page)**

At a minimum, CUSTOMER'S FULL NAME and either their DATE OF BIRTH or RESIDENTIAL ADDRESS must be verified.

Type of document		
Document number		
Person to whom it relates		
Date of birth (age if relevant)		
Place of residence		
Date of issue		
Place/Office of issue		
Expiry date		

**4. NAME OF CHECKING OFFICER**

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**Date** / / day month year

The AUSTRAC Help Desk can be contacted on 1300 021 037 or at

help\_desk@austrac.gov.au if you require general assistance to complete this form.

Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Act)

**Customer identification procedure (CIP) form - individuals**

**INSTRUCTIONS FOR VERIFICATION OF KYC INFORMATION**

You must verify the **CUSTOMER'S FULL NAME** and either their **DATE OF BIRTH** or **RESIDENTIAL ADDRESS** using : **AN ORIGINAL OR CERTIFIED COPY OF A PRIMARY PHOTOGRAPHIC IDENTIFICATION DOCUMENT**

• a licence or permit issued under a law of a State or Territory or equivalent authority of a foreign country *for the purpose of driving a vehicle* that contains a photograph of the person in whose name the document is issued

• a passport issued by the Commonwealth

• a passport or a similar document issued for the purpose of international travel, that:

(a) contains a photograph and the signature of the person in whose name the document is issued;

(b) is issued by a foreign government, the United Nations or an agency of the United Nations; and

(c) if it is written in a language that is not understood by the person carrying out the verification - is accompanied by an English

translation prepared by an accredited translator.

• a card issued under a law of a State or Territory for the purpose of proving the person's age which contains a photograph of the person in whose name the document is issued.

• a national identity card issued for the purpose of identification, that:

(a) contains a photograph and the signature of the person in whose name the document is issued;

(b) is issued by a foreign government, the United Nations or an agency of the United Nations

(c) if it is written in a language that is not understood by the person carrying out the verification – is accompanied by an English translation prepared by an accredited translator

**OR AN ORIGINAL OR CERTIFIED COPY OF A PRIMARY NON-PHOTOGRAPHIC IDENTIFICATION DOCUMENT**

• a birth certificate or birth extract issued by a State or Territory;

• a citizenship certificate issued by the Commonwealth;

• a citizenship certificate issued by a foreign government that, if it is written in a language that is not understood by the person carrying out the verification, is accompanied by an English translation prepared by an accredited translator;

• a birth certificate issued by a foreign government, the United Nations or an agency of the United Nations that, if it is written in a language that is not understood by the person carrying out the verification, is accompanied by an English translation prepared by an accredited translator;

• a pension card issued by Centrelink that entitles the person in whose name the card is issued, to financial benefits.

**AND AN ORIGINAL OR CERTIFIED COPY OF A SECONDARY IDENTIFICATION DOCUMENT**

• a notice that:

(a) was issued to an individual by the Commonwealth, a State or Territory within the preceding twelve months;

(b) contains the name of the individual and his or her residential address; and

(c) records the provision of financial benefits to the individual under a law of the Commonwealth, State or Territory (as the case may be);

• a notice that:

(a) was issued to an individual by the Australian Taxation Office within the preceding 12 months;

(b) contains the name of the individual and his or her residential address; and

(c) records a debt payable to or by the individual by or to (respectively) the Commonwealth under Commonwealth law relating to taxation;

• a notice that:

(a) was issued to an individual by a local government body or utilities provider within the preceding three months;

(b) contains the name of the individual and his or her residential address; and

(c) records the provision of services by that local government body or utilities provider to that address or to that person.

• in relation to a person under the age of 18, a notice that:

(a) was issued to a person by a school principal within the preceding three months;

(b) contains the name of the person and his or her residential address; and

(c) records the period of time that the person attended at the school.