



AML/CTF Policy:

The Clubs policy in relation to AML.CTF is to:

- Identify and consider money laundering and terrorism financing risks in the conduct of our business and the actions that we may take to manage those risks.
- Record our policies and procedures for our employees and the Board.
- We will document our planning and implementation of our AML/CTF obligations.

OBJECTIVE

The objective of this policy is to ensure that all employees are aware of their rights in relation to disclosing any malpractice or misconduct of which they become aware; and provide protection for employees who disclose any such allegations.

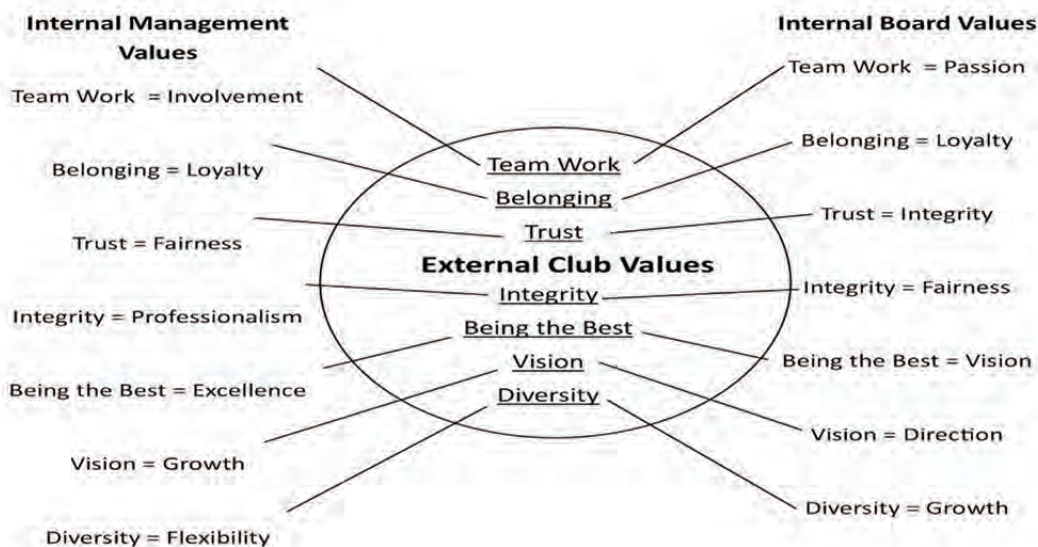
The Club's Vision: We will provide a venue for our members and guests that provides outstanding customer service, value for money and is clean and safe.

In order to make a positive contribution to our community:

- We will support the Active & Ex-Service Community;
- We will support Junior Sport;
- We will support Not for Profit Groups with similar objects; and
- We will support our community during natural disasters.

To our people (staff), we will provide employment that is safe, secure, challenging and rewarding.

Our Mission: To be the leading hospitality venue in Murwillumbah for our members, employees and our community.





What is Money Laundering:

As defined by Austrac “it is the process criminals use to clean money from illegal activities – such as fraud, drug trafficking, tax evasion, smuggling, theft and arms trafficking to make it seem legitimate. The purpose is to avoid prosecution, conviction and confiscation. Money laundering also refers to situations where the criminal chooses to spend money that is the proceeds of crime.

Compliance Officer:

The compliance officer is the main point of contact for Austrac and our employees for AML/CTF matters, the compliance officer will also report directly to the Board of Directors. The Compliance officer for the club is the CEO, in the CEO’s absence the Administration Manager will be the nominated back up person for when the CEO is unavailable. The duties of the compliance officer in relation to AML/CTF include:

- Enrolling and maintaining up to date business details with Austrac
- Approving the AML/CTF program and procedures
- Updating and maintaining the AML/CTF program and procedures
- Updating and maintaining the risk assessment
- Training employees about AML/CTF
- Screening employees
- Responding to feedback from AUSTRAC
- Monitoring transaction and customer activity to identify suspicious transactions
- Conducting further enquires on high risk or suspicious customers
- 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 compliance reports to Austrac.

Employee Due Diligence Program:

This program assists the club in screening employees who maybe in a position to facilitate an ML/TF offence.

Current employee profile:

	Total	Male	Female
Full time	12	5	7
Part time	8	3	5
Casual	15	4	11
Total	35	12	23

The Club currently employs four duty managers that have carriage over the day-to-day operations of the club. The Club employs three hosts that operate the gaming room floor seven days per week. We have a team of administration and reception staff that are responsible for the customer/member identification and services. We also employ a full time Human Resources manager whose role is to employ and screen staff.



Verification of identity:

The prospective employee is required to supply the following forms of ID:

- Driver's License or Passport
- RSA/RCG license
- Police check dependent on the position

We will check a new employee before commencement via:

- Reference check previous employers to determine their suitability to the position and ensuring they are and the information that they have provided is correct.
- Police check dependent on position

Existing Employees transferred or promoted internally maybe subjected to:

- Police check dependent on position

Our employees are regularly tested with reference to our policies and procedures to ensure that our internal procedures are being followed and compliance is being met. Where an employee breaches our AML/CTF policy, that employee will be subject to disciplinary action which can vary subject to the breach from a warning and re-training to dismissal.

AML/CTF Risk Awareness Training:

Our training program is targeted at our staff that have direct and in-direct interaction with our customers and ML/TF. These staff include:

- Reception
- Administration
- Duty Manager
- Administration staff
- Gaming Hosts.

The training is conducted every two years for existing employees and on commencement for our new employees. The training is delivered in an online environment by ClubsNSW for our front-line staff. For our administration and compliance officer they attend seminar/conference education conducted by consultants engaged by the industry association ClubsNSW. The clubs HR Manager keeps records of training for all club employees.

Staff are kept informed of changes in legislation and regulation along with any updates provided either by the industry association or Austrac via, management meetings, staff meetings and memorandums.

Responding to Austrac:

The CEO/Compliance officer is the employee designated by the Board of Directors who will respond to any Austrac feedback. All correspondence is tabled by the CEO to the Board for approval. The CEO will also disseminate any relevant material/correspondence/circulars to the relevant employees.

The CEO will respond to any correspondence that requires a response from Austrac within 14 days unless it is requested in a specified timeframe.



Independent Review of the AML/CTF program

The Board has engaged the company auditor to conduct an independent review of the clubs AML/CTF program, this review assesses:

- The effectiveness of the program
- Compliance with the act.
- Effectiveness of the program's implementation.
- Compliance with the program

The results of the review will be provided to both the compliance officer and the Board of Directors to ensure any recommendations are authorized by the governing body and implemented by management.

Risk Assessment:

The Club is vulnerable to the following criminal activities that our members and guests maybe involved in:

- Robbery and theft
- Counterfeiting currency
- Fraud
- Illicit trafficking in stolen goods, fire arms, narcotic drugs and other psychotropic substances.
- Forgery
- Piracy
- Organised crime gangs.

The club offers the following designated services:

- Electronic gaming machines (EGM)
- TAB Wagering (covered by TAB AML policy)

Our gaming members/customers interact with the EGM via:

- Cash
- TITO
- Members card

All payouts are conducted electronically via the EGM through TITO or members card. The member/customer is then able to redeem the TITO or payout from members card via our Cash Redemption Terminals (CRT). Any payout over \$5,000 requires a gaming host to verify the payment. All payouts over \$5,000 are required to be paid via cheque or EFT.

The Club is located in a regional town of NSW, in the Northern Rivers. The club currently has 8,000 members in a town of 10,000, therefore most adult residents are members of the club. The club attracts around 30,000 visitors annually. The club is licensed to operate 80 EGM's, currently the club is operating 70 EGM's.

The risk across the business regarding ML/TF is considered and assessed to be LOW. This assessment is based on the following key points:

- Member vs Visitor revenue ratio is currently 80/20
- Membership penetration is high, with most adult residents members of the club.
- Guests and visitors are required to provide appropriate ID to gain entry to member facilities, this ID is stored on site.
- A very high portion of our business is from Australian citizens (over 99.5%)
- EGM uncarded play amounts to 40% of total transactions



Monitoring:

Activity	Frequency	Criteria	Risk Rating
Monitoring of customer behavior	Daily and ongoing	Unusual behavior observed by staff which may indicate suspicious activity	LOW
Cash Transactions of \$10,000 or more	Daily	Review of transactions over \$10,000 to identify patterns of play	LOW
Cheques of \$5,000 or more issued to customers	On occurrence	Review of cheque issuing to identify patterns of play	LOW
Cash in (TI) of \$9,000 or more by customers	\$2,000 is the insert limit per insert. Ongoing Monitoring	Review use of EGM's to determine patterns of play	LOW
TITO tickets with a value of \$5,000 or more aged beyond 24 hours	On occurrence	Review use of EGM's to determine patterns of play	LOW
Activity on EGM's over a 24 hour period	daily	Identify any unusual activity through a particular EGM	LOW
High Risk Customer	Monthly	Review use of EGM's to determine patterns of play	LOW
Screen the names of customers	On occurrence	Screen customers names against PEP & SDN	LOW
Telegraphic transfers	EFT To same account	Review to identify any unusual patterns of activity	LOW
Customer occupation	Members at time of application		LOW

Customer Due Diligence:

For our existing members, they are required to provide the club notice if they have a change of any of their personal details, including name and address. The club also provides our reception and gaming hosts to update our members details when advised. Members are also afforded the opportunity to update their details at renewal time.

For our members guests and visitors, they are required to provide the following forms of ID at the time of entry, before they are permitted access to member facilities:

- Driver's License
- Proof of Age card.
- Passport.



MURWILLUMBAH SERVICES CLUB

The club uses Infosign scanning system for the above documentation that is stored securely onsite, for guests that use the carbon copy sign in register, they must present the above ID before entering those details in the register. The paper register is stored securely on-site. If for any reason upon entry club staff suspect that the ID being used is false or counterfeit, the visitor will be denied entry until such time as proper ID is presented.

When the club receives a new applicant for membership, they are required to supply the following information in an application form:

- Name
- Address
- Date of Birth
- Employment
- Phone number

In relation to gaming machine payouts and any transactions over \$10,000 we will screen customers via www.namescan.io that we determine are suspicious

The club reviews periodically transactions through the IGT gaming system and Mpower BI tools our member activity, this includes payouts, cash clearances, turnover and net gaming revenue from our EGM's, this is done on a daily, weekly and monthly basis by both Gaming manager and CEO. The CEO and gaming manager will also review in response to reports received from the gaming hosts and duty managers.

Suspicious activity may include but not be limited too:

- High volume of cash inserted into a gaming machine with little or no play.
- High volume of payout vouchers from a customer
- Customer offering to purchase wins or payout vouchers from other customers.
- Customers source of funds are suspected to be linked to crime or criminal activity.
- Customer requests a payout to be made to another person.
- Customer uses another members card for redemption of winnings.

The Compliance officer will complete a Suspicious Matters Report (SMR) within three days if we suspect it relates to money laundering and 24 hours if suspicion of terrorism financing. The Club employees will report in the first instance their suspicion to the duty manager whom will then file a report to the compliance officer for action.

Enhanced “High” customer due diligence procedures:

The club will seek where a customer is under suspicion of ML/TF:

- Clarify the customers information
- Obtain further information about the customer
- Endeavor to understand the source of funds of the gambling
- Undertake analysis at a deeper level of the customers transactions
- Management to approve future transactions

Our Gaming manager and CEO will be responsible for conducting the enhanced due diligence of the suspicious customer/member.



If a report is to be lodged to Austrac on the suspicious customer, the club will:

- Interview employees involved with the customers transactions/visits
- Review the information held on the customer
- Review the customers transactions history
- Record and report the findings.

Customer Record Keeping:

Our members application forms are kept on file for the full period that they are member of the club. IF for the member chooses not to renew their membership, the paper application is kept for a period of seven years.

Visitor records are stored electronically for those members that have scanned their approved ID into our entry system (Infosign), for those visitors that have gained entry to the club via the carbon paper visitors register, these registers are securely kept on-site for period of seven years.

All transactions throughout the club are electronically recorded via the IGT Gaming system, this system is securely protected. This system is also backed up in fire proof safe on site. These records are kept for a minimum seven years

The AML/CTF program is reviewed every year by the Compliance Officer and approved by the Board of Directors.

Signed _____

Date: _____

Name: _____

CEO/Compliance Officer