



NOTICE

SUBSECTION 162(2) ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING ACT 2006

TO: Argos Investments Pty Limited, ACN 000 926 063, Level 29, 264-278 George Street, Sydney, New South Wales 2000

I, JOHN LANCE SCHMIDT, Chief Executive Officer of the Australian Transaction Reports and Analysis Centre (**AUSTRAC**) suspecting on reasonable grounds that Argos Investments Pty Limited (**Argos**) is a reporting entity that has contravened and/or is contravening the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (**AML/CTF Act**), namely sections 32, 36, 47 and 81, **HEREBY REQUIRE THAT:**

Within 14 days of the date of this notice, Argos must:

Appoint an external auditor who meets the requirements of subsection 162(6) of the AML/CTF Act, and arrange for an external auditor to carry out an external audit as described in this notice including giving a written report (**the audit report**) to Argos;

Within 70 days of the date of this notice, Argos must:

Give me a copy of the audit report to Argos by an external auditor setting out the results of an audit by the external auditor of Argos's compliance and existing capacity to comply with the AML/CTF Act, the *Anti-Money Laundering and Counter-Terrorism Financing Regulations 2008* (**the Regulations**) and the *Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No. 1)* (**AML/CTF Rules**), in particular with:

- (i) Section 32 of the AML/CTF Act;
- (ii) Section 36 of the AML/CTF Act;
- (iii) Section 47 of the AML/CTF Act;
- (iv) Section 81 of the AML/CTF Act; and
- (v) Section 84 of the AML/CTF Act.

The matters to be covered by the audit are:

- (a) An assessment of Argos's compliance with the AML/CTF Act, the Regulations and the AML/CTF Rules, in particular with each of the specified provisions set out above;

- (b) An assessment of Argos's existing capacity to comply with the AML/CTF Act, the Regulations and the AML/CTF Rules;
- (c) An assessment of what Argos will need to do, or continue to do, to comply with the AML/CTF Act, the Regulations and the AML/CTF Rules.

The audit report must be in a form that:

- (a) Accords with any Australian standard applicable to that kind of audit report, or which in the opinion of the external auditor accords with the closest applicable Australian standard; and
- (b) Accords with the format and style in which the external auditor would prepare a report suitable to annexe to an expert witness affidavit the external auditor would make in Federal Court of Australia proceedings.

The audit report must contain details of:

- (a) Any provisions of the AML/CTF Act and/or the AML/CTF Rules which the external auditor concludes Argos has contravened and/or is contravening; and
- (b) The facts on which the external auditor has relied to conclude any provisions identified in (a) have been contravened and/or are being contravened; and
- (c) Any measures which the external auditor believes Argos should implement to ensure it ceases to contravene the AML/CTF Act or the AML/CTF Rules; and
- (d) Any measures which the external auditor believes Argos should implement to ensure that it complies with the AML/CTF Act, the Regulations and the AML/CTF Rules; and
- (e) The capacity of Argos to implement the measures set out in (c) and (d).

The audit report is to be submitted to:

John Lance Schmidt
Chief Executive Officer
AUSTRAC
PO Box 5516, West Chatswood, NSW 1515

Dated this 2nd day of June 2010



John Lance Schmidt
CHIEF EXECUTIVE OFFICER